

# **TAMIL NADU TRANSMISSION CORPORATION LIMITED**

**(A subsidiary company of TNEB Limited)**

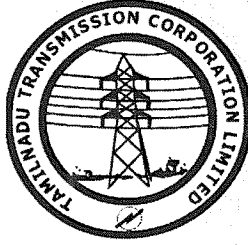
## **3rd ANNUAL REPORT 2011-12**

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**Regd. Office : NPKRR MAALIGAI ( TNEB Office), 144, Anna Salai, Chennai - 600 002.**

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## **NOTICE**

**NOTICE** is hereby given that the adjourned Third Annual General Meeting of the Company which was held on 27.09.2012 and adjourned for want of 3rd Annual Report, will be held at the Registered office of the Company at NPKRR Maaligai, (TNEB Office), #144, Anna Salai, Chennai – 600 002 on Tuesday, the 17th September 2013 at 4.30 p.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution:

“RESOLVED THAT the audited Balance Sheet as at 31st March 2012 and the Profit and Loss account of the Company for the period from 1st April 2011 to 31st March 2012, together with the Director's Report and the Auditor's Report, CAG's Report thereon as presented to the meeting, be and the same are hereby, approved and adopted.”

2. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the requirement of sub-section (2) of Section 619 of the Companies Act, 1956, M/s. Padmanabhan Prakash & Co. Chartered Accountants, Chennai, is appointed as Statutory Auditor of the Company by Comptroller and Auditor General of India/New Delhi for the financial year 2012-13”.

RESOLVED further that the Board of Directors of the company be and is hereby authorized to fix the fees and other terms and conditions for the statutory auditors”.

By the Order of the Board  
For Tamil Nadu Transmission Corporation Limited

Place : Chennai  
Date : 17.09.2013

Sd-xxxxxx  
(K. Muthupandian)  
Company Secretary

## **DIRECTORS' REPORT**

**Dear Members,**

The Board of Directors of Tamil Nadu Transmission Corporation Limited (TANTRANSCO) have immense pleasure in presenting its 3rd Annual Report for the Year 2011-12.

### **2.0 FORMATION OF TANTRANSCO**

The company was formed with restructuring of erstwhile Tamilnadu Electricity Board, and as a subsidiary of TNEB Limited which is a state Government company. Tamilnadu Generation and Distribution Corporation (TANGEDCO) is another subsidiary of TNEB Limited.

### **3.0 TRANSFER SCHEME**

The Government of Tamil Nadu has approved the amendment to provisional transfer scheme (G.O. Ms. No. 100 dated 19.10.2010) transferring the assets and liabilities to the company and notified the same vide G.O. (Ms) No.2 (Energy (B2) Department), dated 02.01.2012.

### **4.0 TRANSFER OF EMPLOYEES**

4.1 At present all the employees of the erstwhile TNEB are considered as the employees of TANGEDCO. Those employees working in the Transmission corporation are considered to be on deputation from TANGEDCO to TANTRANSCO. All the employees are asked to continue to work on as is where basis is.

4.2 The information under Section 217 (2A) of Companies Act, 1956 read Company (Particulars of Employees) Rules, 1976 may be taken as Nil.

### **5.0 FINANCIAL PERFORMANCE**

5.1 In the 1st AGM of TANTRANSCO held on 07.12.2010, the authorised share capital of the Company was increased to Rs.2500 Crores (250 Crores Equity Shares of Rs.10 each).

5.2 In the 3rd AGM of the company held on 27.09.2012, the authorized share capital of the Company was increased to Rs. 5000 Crores (500 Crores Equity shares of Rs.10 each).

**FINANCIAL RESULTS**

(Rs. in Lakhs)

| Sl.No. | Particulars                                      | Year ended<br>31st March<br>2012 | Year ended<br>31st March<br>2011 |
|--------|--------------------------------------------------|----------------------------------|----------------------------------|
|        | <b>INCOME</b>                                    |                                  |                                  |
| 1      | Revenue from Transmission of Power               | 170705.98                        | 52432.70                         |
| 2      | Other income                                     | 3779.89                          | 1005.75                          |
|        |                                                  | <b>174485.87</b>                 | <b>53438.45</b>                  |
|        | <b>EXPENDITURE</b>                               |                                  |                                  |
| 1      | Repairs & Maintenance                            | 798.35                           | 363.98                           |
| 2      | Employee Cost                                    | 36080.62                         | 14790.61                         |
| 3      | Administrative and General Expenses              | 1961.72                          | 801.09                           |
| 4      | Other Expenses                                   | 14.67                            | 36.34                            |
|        | Less: Expenses Capitalized                       | (8565.04)                        | (3937.00)                        |
|        |                                                  | <b>30290.32</b>                  | <b>12055.02</b>                  |
|        | Profit / (Loss) Before Depreciation and Interest | 144195.55                        | 41383.43                         |
|        | Less: Depreciation                               | (29091.04)                       | (12123.24)                       |
|        | Profit /(Loss) Before Interest and Tax           | 115104.51                        | 29260.19                         |
|        | Less: Interest and other Bank Charges            | (138593.41)                      | (34245.10)                       |
|        | Add : Interest charges capitalised               | 24095.06                         | 4984.91                          |
|        | Less : Extra ordinary expenses                   | (231.83)                         | 0                                |
|        | Less : Prior Period Charges                      | (374.33)                         |                                  |
|        | Profit /(Loss) Before Tax                        | 0                                | 0                                |
|        | Less : Provision for Taxation                    | .....                            | .....                            |
|        | <b>Profit (Loss) after Tax</b>                   | <b>0</b>                         | <b>0</b>                         |

**6.0 DETAILS OF OPERATIONAL PERFORMANCE DURING 2011-12****6.1 Sub-stations Commissioned :**

| Sl. No. | Voltage Reading | No. of SS | Total Capacity (in MVA) |
|---------|-----------------|-----------|-------------------------|
| 1       | 400 KV          | 1         | 630                     |
| 2       | 230 KV          | -         | -                       |
| 3       | 110 KV          | 13        | 232                     |
|         | <b>Total</b>    | <b>14</b> | <b>862</b>              |

**6.2 Lines Energized :**

| Sl. No. | Description    | Distance (in Circuit KM) |
|---------|----------------|--------------------------|
| 1       | 400 KV OH Line | 16.280                   |
| 2       | 230 KV OH Line | 198.030                  |
| 3       | 110 KV OH Line | 462.107                  |
| 4       | 110 KV Cable   | 14.655                   |
|         | <b>Total</b>   | <b>691.072</b>           |

### 6.3 Additional / Enlargement of Power transformers :

| Sl. No. | No. of Transformers | Capacity in MVA |
|---------|---------------------|-----------------|
| 1       | 79                  | 1652.00         |

- i. The 'All time high' demand for the financial year 2011-12 of 10,859 MW was reached on 19.07.2011.
- ii. The 'All time high' consumption for the financial year 2011-12 of 237.95 MU was recorded on 29.06.2011.
- iii. The minimum demand of 4733 MW was recorded on 27.10.2011 whereas the minimum consumption was 143.729 MU on 26.10.2011.
- iv. Central Electricity Regulatory Commission has provided 'Open Access' with non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with these regulations.

During the financial year 2011-12, 39 nos. of Private generators were interfaced with the grid at 110 kV level and above. Further 21 nos. of applications have been received from private generators to be interfaced with TANTRANSCO grid at 110 kV level and above which were under process. The above private generators were supplying power to captive users/ TANGEDCO/ Third party Consumers as per Electricity Act 2003.

#### **Intra State Open Access**

Intrastate open access is being permitted to all the willing HT consumers to purchase power from the generators irrespective of quantum within Tamilnadu under intrastate open access transactions.

During the Financial Year 2011-12 356 Nos of HT consumers purchased power to the quantum of 184 MW from 32 Nos of generators within Tamilnadu through third party sale under intrastate short term open access transactions.

### **Interstate Open Access**

- a) Interstate open access is being permitted to all the willing HT consumers to purchase power more than 1 MW from outside Tamilnadu through traders under inter-state short term open access bilateral transactions and from power exchanges under interstate short term open access collective transactions.
- b) During the financial year 2011-12, 3 Nos. of HT consumers purchased Power to the quantum of 34 MW through traders under inter-state short-term open access bilateral transactions and 353 Nos. of HT consumers purchased power to the quantum of 138 MW from power exchanges under interstate short term open access collective transactions.

### **Renewable Energy Certificate Mechanism :**

- a) Based on CERC Orders, TNERC has designated the State Load Despatch Centre (SLDC), Chennai-2 /TANTRANSCO as State Agency for Accreditation of Renewable Energy Generators and monitoring. The process of accreditation of new Renewable Energy Generators is being carried by the Superintending Engineer/ LD&GO, SLDC, Chennai-2.
- b) There are 83 nos. of Renewable Energy Generators were Accredited and Registered under REC Mechanism for a capacity of 540 MW for the financial year 2011-12. 15 Nos. of Renewable Energy Generators were Accredited and registration is under process at NLDC and 11 nos. Renewable Energy Projects applications were rejected due to various non compliance eligibility criteria.

### **Renewable Purchase Obligations (RPO)**

The Hon'ble TNERC has fixed the following Renewable Purchase Obligation(RPO) for the year 2011-12 and 2012-13 to the following "Obligated Entity" as per the provisions of the Section 86(1)(e) of the Electricity Act,2003.

- (a) Distribution Licensees,**
- (b) Consumers owning grid connected Captive Generating Plants (CGPs) and**
- (c) Open access consumers in the State of Tamil Nadu**

|         | Minimum Quantum of total renewable purchase obligation in percentage. (in terms of energy in kWh) |                                   | Minimum Quantum of solar renewable purchase obligation in percentage out of the total renewable purchase obligation mentioned in column (3). (in terms of energy in kWh) |                                                                                   |
|---------|---------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|         | Distribution Licensee                                                                             | Captive and Open Access Consumers | Distribution Licensee                                                                                                                                                    | Consumer owning grid connected Captive generating plant and Open Access Consumers |
| 2011-12 | 9%                                                                                                | 9%                                | 0.05%                                                                                                                                                                    | 0.05%                                                                             |
| 2012-13 | 9%                                                                                                | 9%                                | 0.1%                                                                                                                                                                     | 0.1%                                                                              |

The Hon'ble TNERC has also appointed SLDC as State Nodal Agency and the Superintending Engineer/LD&GO as State Nodal Officer to monitor RPO.

### **Implementation of RPO**

#### **I. RPO for 2011-12 :**

In the first phase, RPO compliance shall be implemented for captive and open access consumers whose sanctioned demand is 2 MVA and above from the date of commencement of these regulations.

#### **II. RPO for 2012-13 :**

In the second phase, RPO compliance shall be implemented for captive and open access consumers whose sanctioned demand is 1 MVA and above from 01-04-2012.

In the third and final phase, RPO compliance shall be implemented for all captive and open access consumers irrespective of the sanctioned demand from 01-04-2013."

The list of obligated entities along with RPO % to be complied have been prepared for the above and submitted to the Hon'ble Commission with a report of no entity have complied till date from the date of order since many cases pending at the Hon'ble High Court /Chennai & Madurai and also in the Hon'ble Commission against the above RPO Regulation issued by the Hon'ble Commission.

## 7.0 **STATUTORY AUDITORS:**

The C & AG of India have appointed M/s.Venkatesh & Co., Chennai as Statutory Auditors for auditing the Accounts of TANTRANSO for the Financial Year 2011-12.

## 8.0 **CONSERVATION OF ENERGY: TECHNOLOGY ABSORPTION: AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

- 8.1 Since the company is not engaged in any of the activities indicated in Schedule-A of the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, the details in this regard are to be taken as NIL.
- 8.2 The company is constantly working towards strengthening of the Transmission system so as to improve the reliability and quality of power and to further reduce the transmission losses.
- 8.3 The foreign exchange earnings and the outgo during the FY 2011-12 is NIL.

## 9.0 **Directorate (Financial Year ending 31.03.2012):**

| Sl.No. | Name                                                                                                                                                                                                                          | Designation                     |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 1.     | Mr. Rajeev Ranjan (from 2.11.2011)<br>Mr. Hans Raj verma (from 28.5.2011 to 2.11.2011)<br>Mr. Swaran Singh (from 20.5.2011 to 28.5.2011)<br>Mr. C.P. Singh (from 1.4.2011 to 20.5.2011)                                       | Chairman                        |
| 2.     | Mr. Ramaiah Murugan                                                                                                                                                                                                           | Managing Director               |
| 3.     | Mr. Sivagurunathan Sekkizhar                                                                                                                                                                                                  | Director (Finance)              |
| 4.     | Mr.Sundram Akshya Kumar                                                                                                                                                                                                       | Director(Transmission Projects) |
| 5.     | Mr. K. Viswanathan (from 7.9.2011)<br>Mr. Vellaisamy Nalendran (from 1.4.2011 to 31.5.2011)                                                                                                                                   | Director (Operation)            |
| 6.     | Mr. Kandasamy Balasubramanian<br>(from 1.4.2011 to 31.1.2012)                                                                                                                                                                 | Director (Part time)            |
| 7.     | Mr. Thangaraj Jeyaseelan                                                                                                                                                                                                      | Director (Part time)            |
| 8.     | Mr. Kandasamy Shanmugam, IAS<br>Principal Secretary to Government (Finance Department)                                                                                                                                        | Director (Ex-officio)           |
| 9.     | Mr. Ramesh Kumar Khanna IAS<br>Principal Secretary to Government (Energy Department)                                                                                                                                          | Director (Ex-Officio)           |
| 10.    | Mr. N. Sundaradevan, IAS<br>Principal Secretary to Government (Industries Department)<br>(from 23.5.2011)<br>Mr. Rajeev Ranjan, IAS (from 1.4.2011 to 23.5.2011)<br>Principal Secretary to Government (Industries Department) | Director (Ex-Officio)           |

**10.0 Audit Committee :**

In compliance with the provisions of Section 292A of the Companies Act, 1956 (as amended), an Audit Committee was constituted by your Company with

Chairman and three Ex-Officio Directors of TANTRANSCO.

**11.0 Directors' responsibility statement :**

In accordance with Section 217 (2AA) of the Companies Act, 1956, the Directors of the Company hereby state that:

- i) the Annual Statement of Accounts are prepared as per the Electricity (Supply) (Annual Accounts) Rules, 1985, notified under the Electricity (Supply) Act, 1948 and also in compliance of Section 616 (c ) of the Companies Act, 1956. The applicable accounting standards are followed, so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year 31st March 2012; and of the revenue account for that period. The rates of depreciation adopted are as per the Gazette notifications issued by the Ministry of Power, Government of India, from time to time.
- ii) the directors had selected such accounting policies and applied them consistently 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 at the end of the financial year and of the profit or 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 statutory provisions, 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 would like to place on record its appreciation for all the support and guidance extended by the Government of Tamil Nadu, Government of India, Tamil Nadu Electricity Regulatory Commission, TNEB Limited, TANGEDCO and other Agencies such as Government Treasury, CEA, PFC, CERC, Commercial Banks and other Financial Institutions, Ministry of Corporate Affairs, Registrar of Companies and the General Public for co-operation and active support to TANTRANSCO, in our endeavour to serve them. The Board of Directors would also like to place on record its appreciation for the dedicated and committed service rendered by the employees of Corporation.

**CHAIRMAN  
TANTRANSCO**



## INDIAN AUDIT AND ACCOUNTS DEPARTMENT

O/o the Principal Accountant General (Economic & Revenue Sector Audit),  
Tamil Nadu,  
Branch Office, 3rd Floor Western Wing,  
Tamil Nadu Electricity Board  
144, Anna Salai, Chennai – 600 002.  
Ph.044-28522257 – E mail: rao@tnebnet.org

No. PAG(E&RSA)/BO-TNEB/DB/TANTRANSCO/2011-12A/cs/48

Dated: 10 September 2013

To

The Chairman and Managing Director,  
Tamilnadu Transmission Corporation Limited,  
Chennai 600 002.

Sir,

Sub: Comments of the C&AG of India u/s 619(4) of the  
Companies Act, 1956 on the accounts of Tamilnadu Transmission  
Corporation Ltd, Chennai for the year ended 31st March, 2012 - reg.

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I am to forward herewith the comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 on the accounts of Tamilnadu Transmission Corporation Ltd, Chennai for the year ended 31st March, 2012.

A copy of the minutes of Annual General Meeting in which comments of Comptroller & Auditor General of India are placed in terms of section 619(5) of the Companies Act, 1956 may please be sent to this office early. Six copies of printed Annual Reports as and when they are ready may also be forwarded to this office.

Yours faithfully,

Sd/-XXXXXXXX

Deputy Accountant General/ES-II

Encl: As stated.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF TAMIL NADU TRANSMISSION CORPORATION LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2012.**

The preparation of financial statements of Tamil Nadu Transmission Corporation Limited, Chennai (TANTRANSCO) for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are 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 20 May 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 Tamil Nadu Transmission Corporation Limited, Chennai for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Balance Sheet**

**Sources of Funds**

**1. Loan Funds (Schedule – 3)**

**Secured Loans - ₹ 10,219.18 Crore**

Loans received by TANTRANSCO from the financial institutions are routed through the Tamilnadu Generation and Distribution Corporation Ltd. (TANGEDCO). As against the actual repayment of short term loan amounting to ₹ 500 crore made by TANGEDCO during the year, the amount accounted in the TANTRANSCO books was ₹ 750 crore. Further, an amount of ₹ 45.07 crore representing loan received by TANGEDCO during the year on behalf of TANTRANSCO was also not accounted. Consequently, the above head stands understated by ₹ 295.07 crore and Schedule 13 – Other current liabilities – amount owing to licencees stand overstated by ₹ 250 crore and Schedule 11 – Sundry receivables stand understated by ₹ 45.07 crore.

## **Application of Funds**

### **Fixed Assets**

#### **2. Gross Block -(Schedule-6(a))- ₹ 12,463.02 Crore**

General Construction Circles, Coimbatore and Chennai-I incurred capital expenditure in respect of assets created during 2011-12 amounting to ₹ 68.60 crore in the operation circles of Coimbatore (North), Salem and Chinglepet respectively, but necessary debit advises were raised only during 2012-13. This has resulted in understatement of Gross Block of fixed assets by ₹ 68.60 crore and overstatement of capital work in progress to that extent.

#### **3. Capital Work in Progress -(Schedule-7) ₹ 2,712.31 Crore**

This includes ₹ 20.30 crore being capital works completed in General Construction Circle, Salem. As these assets have already been transferred to the different distribution/operation circles through transfer advises raised during 2011-12 itself, exhibiting the amount under capital work in progress has resulted in overstatement of the above head by ₹ 20.30 crore and understatement of Gross Block by ₹ 15.20 crore (in respect of asset transferred to SE/Operation/Tiruvalam) and amount due from TANGEDCO by ₹ 5.10 crore (in respect of assets transferred to Vellore and Salem Electricity Distribution Circles).

### **Current Assets**

#### **4. Stores and Spares -(Schedule – 11(a))- ₹ 367.53 Crore**

This does not include ₹ 91.36 lakh being stock of materials received at General Constructions Circle, Salem before March 2012 but taken into stock thereafter. Consequently, the above head stands understated by ₹ 91.36 lakh and liability for supplies stand understated to the same extent.

## **B. Profit and Loss Account**

### **Income**

#### **5. Revenue from Transmission of Power (Schedule – 16) – ₹ 1,707.06 Crore**

i) An amount of ₹ 48.37 lakh being reactive energy charges from open access customers collected by TANGEDCO pertaining to the Wind energy circle, Udumalpet was not adjusted in TANTRANSCO books resulting in understatement of the above head as also amount receivable from TANGEDCO by ₹ 48.37 lakh.

ii) The operating and maintenance charges of sub stations collected from wind mill generators and accounted in TANGEDCO accounts for the year 2011-12 under “sale to Board” category (₹ 3.08 crore) and under “wheeling” category (₹ 17.28 lakh) was not taken

into account in TANTRANSCO. Consequently, the above head is understated by ₹ 3.25 crore and amount receivable from TANGEDCO by the same amount.

#### **6. Other Income (Schedule – 17) – ₹ 37.80 Crore**

This does not include ₹ 99.29 lakh being rebate received during the year for prompt payment from Power Finance Corporation. Consequently, the above head is understated and amount due to TANGEDCO is overstated by ₹ 99.29 lakh

### **Expenditure**

#### **7. Interest and Finance Charges (Schedule – 24) – ₹ 1,385.93 Crore**

Loans guaranteed by the Government of Tamilnadu amounting to ₹ 1,825.28 crore were outstanding as on 31 March 2012. Minimum guarantee commission of ₹ 9.12 crore was payable for the year 2011-12 and TANTRANSCO had not provided for this clear liability in its accounts. Consequently, 'Interest and finance charges' stands understated by ₹ 9.12 crore and current liabilities stand understated to the same extent.

### **C. General:**

8. While drawing up the accounts, the Company has not followed fully either the requirements of the Electricity (Supply) Annual Accounts Rules 1985 or the revised Schedule VI to the Companies Act, 1956 as regards presentation of the annual accounts.

9. Despite assurances during finalisation of accounts of the erstwhile TNEB for reconciliation of the difference between the balances exhibited in the Headquarters' Balance sheet and the consolidated balances of the circle accounting units, the differences continued to remain unreconciled till finalisation of the erstwhile TNEB accounts. The provisional figures adopted as opening balance are therefore unreconciled figures especially with regard to the following schedules viz.,

Schedule 6 – Fixed Assets and provision for depreciation;

Schedule 7 – Capital Expenditure in progress;

Schedule 11 – Current Assets and

Schedule 13 – Other Current Liabilities

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

Place: Chennai

Dated: 10 September 2013

Sd/-

(SUBHASHINI SRINIVASAN)

PRINCIPAL ACCOUNTANT GENERAL

**ADDENDUM TO DIRECTORS' REPORT FOR**  
**THE YEAR ENDED 31st MARCH 2012**

**FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE**  
**COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS FOR 2011-12**

| Sl.No.         | Observation of AG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Management's Reply                                     |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>A<br/>1</b> | <b>A. Balance Sheet</b><br><b>Sources of Funds</b><br><b>Loan Funds (Schedule – 3)</b><br><b>Secured Loans – Rs. 10,219.18 Crore</b><br>Loans received by TANTRANSCO from the financial institutions are routed through the Tamilnadu Generation and Distribution Corporation Ltd. (TANGEDCO). As against the actual repayment of short term loan amounting to Rs.500 crore made by TANGEDCO during the year, the amount accounted in the TANTRANSCO books was Rs.750 crore. Further, an amount of Rs.45.07 crore representing loan received by TANGEDCO during the year on behalf of TANTRANSCO was also not accounted. Consequently, the above head stands understated by Rs.295.07 crore and Schedule 13 – Other current liabilities – amount owing to licencees stand overstated by Rs.250 crore and Schedule 11 – Sundry receivables stand understated by Rs.45.07 crore. | <p>The same will be set right in 2012-13 accounts.</p> |
| <b>B<br/>2</b> | <b>Application of Funds</b><br><b>Fixed Assets</b><br><b>Gross Block -(Schedule-6(a))-</b><br><b>Rs. 12,463.02 Crore</b><br><br>General Construction Circles, Coimbatore and Chennai-I incurred capital expenditure in respect of assets created during 2011-12 amounting to Rs.68.60 crore in the operation circles of Coimbatore (North), Salem and Chinglepet respectively, but necessary debit advises were raised only during 2012-13. This has resulted in understatement of Gross Block of fixed assets by Rs.68.60 crore and overstatement of capital work in progress to that extent.                                                                                                                                                                                                                                                                                 | <p>The same will be set right in 2012-13 accounts.</p> |

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 3       | <p><b>Capital Work in Progress –(Schedule-7)</b><br/> <b>Rs. 2,712.31 Crore</b></p> <p>This includes Rs.20.30 crore being capital works completed in General Construction Circle, Salem. As these assets have already been transferred to the different distribution/operation circles through transfer advises raised during 2011-12 itself, exhibiting the amount under capital work in progress has resulted in overstatement of the above head by Rs.20.30 crore and understatement of Gross Block by Rs.15.20 crore (in respect of asset transferred to SE/Operation/ Tiruvalam) and amount due from TANGEDCO by Rs.5.10 crore (in respect of assets transferred to Vellore and Salem Electricity Distribution Circles).</p>                                                                                                                                                                      | <p>The same will be brought in to 2012-13 accounts.</p>                                                         |
| C<br>4. | <p><b>Current Assets</b><br/> <b>Stores and Spares – (Schedule – 11(a)) -</b><br/> <b>Rs. 367.53 Crore</b></p> <p>This does not include Rs. 91.36 lakh being stock of materials received at General Constructions Circle, Salem before March 2012 but taken into stock thereafter. Consequently, the above head stands understated by Rs. 91.36 lakh and liability for supplies stand understated to the same extent.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>The same will be brought in to 2012-13 accounts.</p>                                                         |
| 5       | <p><b>B. Profit and Loss Account</b><br/> <b>Income</b><br/> <b>Revenue from Transmission of Power</b><br/> <b>(Schedule – 16) – Rs. 1,707.06 Crore)</b></p> <p>i) An amount of Rs.48.37 lakh being reactive energy charges from open access customers collected by TANGEDCO pertaining to the Wind energy circle, Udumalpet was not adjusted in TANTRANSCO books resulting in understatement of the above head as also amount receivable from TANGEDCO by Rs.48.37 lakh.</p> <p>ii) The operating and maintenance charges of sub stations collected from wind mill generators and accounted in TANGEDCO accounts for the year 2011-12 under “sale to Board” category (Rs.3.08 crore) and under “wheeling” category (Rs.17.28 lakh) was not taken into account in TANTRANSCO. Consequently, the above head is understated by Rs.3.25 crore and amount receivable from TANGEDCO by the same amount.</p> | <p>The same will be brought in to 2012-13 accounts.</p> <p>The same will be brought in to 2012-13 accounts.</p> |

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                            |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 | <p><b>Other Income (Schedule – 17) – Rs. 37.80 Crore</b></p> <p>This does not include Rs.99.29 lakh being rebate received during the year for prompt payment from Power Finance Corporation. Consequently, the above head is understated and amount due to TANGEDCO is overstated by Rs.99.29 lakh.</p>                                                                                                                                                                                                                         | <p>The same will be brought in to 2012-13 accounts.</p>                                                                                                                                                                                                                                    |
| 7 | <p><b>Expenditure Interest and Finance Charges (Schedule – 24) – Rs. 1,385.93 Crore</b></p> <p>Loans guaranteed by the Government of Tamilnadu amounting to Rs.1,825.28 crore were outstanding as on 31 March 2012. Minimum guarantee commission of Rs.9.12 crore was payable for the year 2011-12 and TANTRANSCO had not provided for this clear liability in its accounts. Consequently, 'Interest and finance charges' stands understated by Rs.9.12 crore and current liabilities stand understated to the same extent.</p> | <p>The same will be brought in to 2012-13 accounts.</p>                                                                                                                                                                                                                                    |
| 8 | <p><b>C. General:</b></p> <p>While drawing up the accounts, the Company has not followed fully either the requirements of the Electricity (Supply) Annual Accounts Rules 1985 or the revised Schedule VI to the Companies Act, 1956 as regards presentation of the annual accounts.</p>                                                                                                                                                                                                                                         | <p>With the promulgation of Electricity Act, 2003, the Act of 1948 was repealed while the ESAAR has been saved by virtue of Sec. 185 of the new Act of 2003. As such, the provisions of ESAAR are still applicable. Hence the same will be set right while presenting 2012-13 accounts</p> |
| 9 | <p>Despite assurances during finalisation of accounts of the erstwhile TNEB for reconciliation of the difference between the balances exhibited in the Headquarters' Balance sheet and the consolidated balances of the circle accounting units, the differences continued to remain unreconciled till finalisation of the erstwhile TNEB accounts. The provisional figures adopted as opening balance are therefore unreconciled figures especially with regard to the following schedules viz.,</p>                           | <p>1. The first transfer scheme provisionally transferring the assets and liabilities of erstwhile TNEB to its successor entities VIZ., TANTRANSCO and TANGEDCO are notified vide G.O. Ms. 100 dated 19.10.2010 which was based on 2008-09 un-audited balance sheet of erstwhile TNEB.</p> |

|  |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Schedule 6 – Fixed Assets and provision for depreciation;<br/> Schedule 7 – Capital Expenditure in progress;<br/> Schedule 11 – Current Assets and<br/> Schedule 13 – Other Current Liabilities</p> | <p>2. The second provisional transfer scheme transferring the assets and liabilities of erstwhile TNEB are notified vide G.O. Ms. 2 dated 2.01.2012 which was based on 2009-10 audited accounts of erstwhile TNEB.</p> <p>3. However final transfer of assets based on audited accounts of erstwhile TNEB up to 31.10.2010 is yet to be made. Since the balances are provisional the same has not been bi-furcated and given to circles.</p> <p>4. Until notification of opening balances for the three companies by GoTN, the opening balance mentioned in G.O. 2/2.1.2012 holds good and has to be adopted.</p> <p>5. While transferring the final balances through the transfer scheme differences with the circle figures will be adjusted and duly tallied accounts will be given to Government for notification. Since the transfer of assets is provisional in nature this could not be assessed the same will be mentioned in notes to accounts vide para 4.</p> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**VENKATESH & CO**  
**Chartered Accountants**

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TO  
The Shareholders of  
M/s. Tamilnadu Transmission Corporation Limited,  
144, Anna salai  
Chennai

1. We have audited the attached Balance Sheet of Tamilnadu Transmission Corporation Limited as at 31st March 2012, and the Profit and Loss Account and the cash flow statement 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.
2. The Company is governed by the provisions of The Electricity Act, 2003 read with the related rules and regulations. The application of the said Act is in consonance with the provisions of Section 616(c) of The Companies Act, 1956 ("The Act"). Accordingly the company has compiled the accounts, adopting the principles and policies as enunciated in the Electricity Supply Annual Accounts Rules, 1985 ("ESSAR").
3. 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 misstatements. An audit includes, examining on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement, assessing the accounting principles used in the preparation of financial statements, assessing significant estimates made by management in the preparation of financial statements and evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board 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 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph 3 above, we state 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 proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.

- d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956 subject to the following deviations from the Accounting Standards
- a) **Valuation in respect of certain inventories made at standard rates instead of lower of cost or net realizable value as per accounting standard -2 on "valuation of inventories", the effect of which is not ascertainable in the absence of details.**
  - b) **Accounting of prior period income & Expenses is not complying with Accounting Standard -5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies "**
  - c) **Depreciation on additions to fixed assets is not charged in the year in which the asset is put to use, but charged in the subsequent year. This is not in compliance with Accounting Standard -6 "Depreciation Accounting.**
  - d) **Since the assets are transferred at provisional value, the same is not in line with the capitalization of assets under AS-10 "Accounting for Fixed Assets"**
  - e) **Provision for long term employee benefits like GPF, CPS, Leave Encashment, Gratuity etc., has not been made on the latest actuarial valuation report contrary to Accounting Standard – 15 on " Employee Benefits", the effect of which is not ascertainable in the absence of latest actuarial valuation report.**
  - f) **No Provision is made for Deferred Taxation as per AS -22 "Accounting for Taxes on income"**
  - g) **Pending final completion of transfer of assets from TNEB, the impairment of assets has not been recognized as per AS -28 "Impairment of Assets"**
5. The provisions of section 274(1)(g) of the Companies Act, 1956 on the disqualification of the directors are not applicable to the company as per paragraph 8 (ii) of Notification No; 02.05.2001 CLM dated 22.03.2002 of the Department of Company Affairs, Government of India;
6. In our opinion and to the best of our information and according to the explanations given to us, subject to:-
1. **Note No.1 of Notes to Accounts Part – II on Difference in share capital which is subject to reconciliation.**
  2. **Note No.4 of Notes to Account Part - II on Provisional transfer of Assets under the scheme and the same may change after the finalization of the entire reorganization of the erstwhile TNEB and non- updation of Fixed Assets register**
  3. **Note No.5 of Notes to Accounts Part - II on Confirmation for the secured loans, sundry creditors, Sundry debtors, and Loans & Advances**
  4. **Note No.6 of Notes to Accounts Part - II on income from services the company has not accounted and provided for its service tax fully as the amount is not quantified and provision for same has not been made.**
  5. **Note No.7 of Notes to Accounts Part - II on Inter unit account value of Rs.13.30 crores which is subject to reconciliation**
  6. **Note No.11 of Notes to Accounts Part – II the transmission charges receivable from TANGEDCO has been limited to the extent of the audited expenditure amounting to Rs.1621.88 Crores for the year 2011-12.**

7. **Note No.13 of Notes to Accounts Part - II on Terminal benefits not provided as per accounting Standard.**
8. **Note No.18 of Notes to Accounts Part - II on Adjustment of Certain erstwhile TNEB Liabilities subsequently paid by TRANSCO after the opening balance as on 01.11.2010 is transferred in the final transfer scheme.**

The said Balance Sheet and the Profit and Loss Account read together with the other notes and accounting policies and subject to our observations in para 4 (d) above give the information required by the Companies Act 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles 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 2012 and
- (ii) in so far as it relates to the Profit and Loss Account, with regard to the absence of profit or loss for the Company for the period ended on that date.
- (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

**Place : Chennai**  
**Date : 20.5.2013**

**For Venkatesh & Co.,**  
**Chartered Accountants**  
**F.R.No.004636S**

**Sd/- XXXXXXXXXX**  
**CA Dasaraty V**  
**Partner**  
**M.No.26336**

**ANNEXURE TO THE AUDITORS' REPORT****(Referred to in paragraph 3 of our Report of even date)**

In terms of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

1.
  - a) The transfer of assets and liabilities from the holding Company TNEB Limited is yet to be completed. According to the information and explanation given to us, the opening balances of assets and liabilities as on 1.11.2010 of this company have been determined provisionally. Maintenance of records for fixed assets is under process
  - b) According to the information and explanation given to us the company has not disposed off substantial part of fixed assets during the period.
  - c) Pending completion of transfer of assets from the holding company to this company, no physical verification of fixed assets has been conducted during the year.
2. While the company is maintaining records for inventory, pending transfer of assets from the holding company TNEB Limited including inventories which have been done provisionally, we are unable to comment on the physical verification of the stock and the adequacy of procedures followed for physical verification.
3. The Company has neither granted nor taken any loans, advances in the nature of loans from parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure for purchase of inventory and fixed assets. As regards billing for transmission charges, it is based on the reimbursement of audited expenditure for the year 2011-12, since the tariff is not yet finalized by the Tariff Committee. However the internal control procedures for inventories, sale of Goods and services and Transfer of assets from the Originating circles to receiving circles need to be strengthened.
5.
  - a) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that transactions during the period that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been entered.
  - b) as per the information furnished to us, the transfers from the holding company TNEB Limited of the assets & liabilities have been made as per G.O. Notification No. 2 dated 02.01.2012.
6. The Company has not accepted any deposits from the public. The provisions of sections 58 A & 58 AA of the companies Act, 1956, and the Rules framed there under is not applicable.

7. The Company presently does not have an Internal Audit System commensurate with the size and nature of business.
8. The Central Government has prescribed the maintenance of Cost Records u/s.209 (1) (d) of the Companies Act, 1956 (G.S.R. No. 913 (E), dated 21.12.2001). The same is not maintained by the Company.
9. a) Based on our examination of books of account and according to the information and explanation given to us, in our opinion the Company is regular in depositing undisputed statutory dues with the appropriate authorities except the service tax on the service value realized by the company which is not presently quantifiable.  
  
As regards contribution of GPF, the company is managing the GPF by itself and these are not deposited with a provident fund trust and the PF payable to the employees on the superannuation or otherwise settled by the company as and when due. The company does not have an ESI scheme for its employees. As regards Tax deducted at source the same is regularly deposited with the authorities.  
  
b) Details of disputed income tax or other statutory dues pertaining to this company which was part of the TNEB before demerger is yet to be ascertained and made available.
10. The company is registered for a period of less than 5 years and hence we have no comments to offer on losses of the Company.
11. Based on examination of books of account and according to the information and explanation given to us the Company has defaulted in repayment of dues to financial institutions or banks amounting to Rs.62.98 Crores.
12. According to the records of the Company, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company has given a corporate guarantee to Union Bank of India for short term loan of Rs.300 crores availed by TANGEDCO which has been subsequently settled in July 2011.
14. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a chit fund nor a nidhi/mutual benefit society. Hence, in our opinion, the requirements of Clause 4 (xiii) of the order do not apply to the company.
15. As per records of the company and the information and explanations given to us by the management, the Company is not dealing or trading in shares, securities and debentures and other investments.

16. In our opinion, and the information and explanations given to us on an overall basis the Company has obtained term loans during the period and utilized for stated purposes.
17. As per the records of the Company, no funds were raised on short term basis and used for long term investment and vice versa.
18. The Company has made allotment of shares to TNEB Limited as per G.O. Notification No.2 dated 02.01.2012. The Terms of allotment are not prejudicial to the interest of the Company.
19. The Company has not issued any debentures, so creation of securities in respect of debentures does not arise.
20. The Company has not raised money by way of public issues.
21. According to the information and explanations furnished to us, no fraud on or by the Company has been noticed or reported during the Period.

**Place : Chennai**  
**Date : 20.5.2013**

**For Venkatesh & Co.,**  
**Chartered Accountants**  
**F.R.No.004636S**  
**Sd/-**  
**CA Dasaraty V**  
**Partner**  
**M.No.26336**

**ADDENDUM TO DIRECTORS' REPORT FOR  
THE YEAR ENDED 31st MARCH 2012**

**FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF  
THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2011-12**

| Sl.No.      | Observation of Statutory Auditors                                                                                                                                                                                                                    | Management's Reply                                                                                                                                                                                                                                                                                                                                                                            |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4 d.</b> | In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956 subject to the following deviations from the Accounting Standards.   |                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>a</b>    | Valuation in respect of certain inventories made at standard rates instead of lower of cost or net realizable value as per accounting standard -2 on "valuation of inventories", the effect of which is not ascertainable in the absence of details. | The action taken is as per para 2.20 of Annexure V of Electricity (Supply) Annual Accounts Rules, 1985 (ESAAR) issued under Sec. 69(1) of the Electricity (Supply) Act, 1948. With the promulgation of Electricity Act, 2003 the Act of 1948 was repealed while the ESAAR has been saved by virtue of Sec. 185 of the new Act of 2003. As such, the provisions of ESAAR are still applicable. |
| <b>b</b>    | Accounting of prior period income & Expenses is not complying with Accounting Standard -5.                                                                                                                                                           | As per provisions of ESAAR the short or excess provisions of earlier years, correction of errors made in earlier years and waiver of liabilities relating to revenue expenses of past years are treated as prior period expenses / incomes and confirms with ESAAR.                                                                                                                           |
| <b>c</b>    | Depreciation on additions to fixed assets is not charged in the year in which the asset is put to use, but charged in the subsequent year. This is not in compliance with Accounting Standard -6 "Depreciation Accounting.                           | Depreciation policy is adopted as per para 2.60 of ESAAR and the same has been consistently followed and declared as a policy.                                                                                                                                                                                                                                                                |
| <b>d</b>    | Since the assets are transferred at provisional value, the same is not in line with the capitalization of assets under AS-10 "Accounting for Fixed Assets".                                                                                          | Factual.                                                                                                                                                                                                                                                                                                                                                                                      |

| Sl.No. | Observation of Statutory Auditors                                                                                                                                                                                                                               | Management Reply                                                                                                                                                                                                                                                                                                           |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| e      | Provision for long term employee benefits has not been made on the latest actuarial valuation report contrary to Accounting Standard – 15 on “Employee Benefits”, the effect of which is not ascertainable in the absence of latest actuarial valuation report. | As per provisional Transfer scheme notified by GoTN vide G.O. Ms. 100 dated 19.10.2010, the transfer of employees is provisional and has to be finalized within a period of 3 years. Hence the actuarial valuation of liabilities towards pension commitments could be made only on finalization of transfer of employees. |
| f      | Due to the pending transfer of assets, the impairment of assets has not been recognized.                                                                                                                                                                        | The impairment of assets could be ascertained only, when the provisional transfer of assets is finalized during final transfer scheme.                                                                                                                                                                                     |
| 6      | In our opinion and to the best of our information and according to the explanations given to us, subject to:-                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                            |
| 6.1    | Note No.1 of Notes to Accounts Part – II on Difference in share capital which is subject to reconciliation.                                                                                                                                                     | Factual. However the same will be set right in final transfer scheme.                                                                                                                                                                                                                                                      |
| 6.2    | Note No.4 of Notes to Account Part - II on Provisional transfer of Assets under the scheme and the same may change after the finalization of the entire reorganization of the erstwhile TNEB and non- up-dation of Fixed Assets register                        | Factual. Fixed Assets registers will be updated.                                                                                                                                                                                                                                                                           |
| 6.3    | Note No.5 of Schedule 22 Part - II on Confirmation for the secured loans, sundry creditors, Sundry debtors, and Loans & Advances.                                                                                                                               | Factual. However steps are being taken to obtain the confirmations as on 31.03.2013.                                                                                                                                                                                                                                       |
| 6.4    | Note No.6 of Schedule 22 Part - II on income from services the company has not accounted and paid its service tax fully and the amount is not quantified and provision for same has not been made.                                                              | Factual.                                                                                                                                                                                                                                                                                                                   |
| 6.5    | Note No.9 of Schedule 22 Part - II on Inter unit account for value of Rs.13.30 crores is subject to reconciliation.                                                                                                                                             | Factual.                                                                                                                                                                                                                                                                                                                   |

| Sl.No. | Observation of Statutory Auditors                                                                                                                                                                                                                                                                                        | Management Reply                                                                                                                                                                                                                                                                                                           |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.6    | Note No.13 of Schedule 22 Part - II on Terminal benefits not provided as per accounting Standard.                                                                                                                                                                                                                        | As per provisional Transfer scheme notified by GoTN vide G.O. Ms. 100 dated 19.10.2010, the transfer of employees is provisional and has to be finalized within a period of 3 years. Hence the actuarial valuation of liabilities towards pension commitments could be made only on finalization of transfer of employees. |
| 6.7    | Note No.18 of Notes to Accounts Part - II on Adjustment of Certain erstwhile TNEB Liabilities subsequently paid by TRANSCO after the opening balance as on 01.11.2010 is transferred in the final transfer scheme.                                                                                                       | Factual                                                                                                                                                                                                                                                                                                                    |
|        | <b>Annexure to Auditor's Report</b>                                                                                                                                                                                                                                                                                      | <b>Management's Reply</b>                                                                                                                                                                                                                                                                                                  |
| 1 ©    | Pending completion of transfer of assets from the holding company to this company, no physical verification of fixed assets has been conducted during the year.                                                                                                                                                          | Physical verification of fixed assets is being carried out as a part of reconstruction of fixed assets register during the financial year.                                                                                                                                                                                 |
| 2      | While the company is maintaining records for inventory, pending transfer of assets from the holding company TNEB Limited including inventories which have been done provisionally, we are unable to comment on the physical verification of the stock and the adequacy of procedures followed for physical verification. | Periodical physical verification of inventories is being done by headquarters Stores verification Department.                                                                                                                                                                                                              |
| 7      | The Company presently does not have an Internal Audit System commensurate with the size and nature of business.                                                                                                                                                                                                          | The Company has a separate Internal Audit Department consistently doing revenue, and expenditure audits. Further a concurrent audit has been posted for all GCCs.                                                                                                                                                          |
| 8      | The Central Government has prescribed the maintenance of Cost Records u/s.209 (1) (d) of the Companies Act, 1956 (G.S.R. No. 913 (E), dated 21.12.2001). The same is not maintained by the Company                                                                                                                       | Factual                                                                                                                                                                                                                                                                                                                    |

| Sl.No. | Annexure to Auditor's Report                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Management Reply                                                                                                                                                  |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                   |
| 9      | <p>a) Based on our examination of books of account and according to the information and explanation given to us, in our opinion the Company is regular in depositing undisputed statutory dues with the appropriate authorities except the service tax on the service value realized by the company and the VAT on scrap sale which is not presently quantifiable.</p> <p>As regards contribution of GPF, the company is managing the GPF by itself and these are not deposited with a provident fund trust and the PF payable to the employees on the superannuation or otherwise settled by the company as and when due. The company does not have an ESI scheme for its employees. As regards Tax deducted at source the same is regularly deposited with the authorities.</p> <p>b) Details of disputed income tax or other statutory dues pertaining to this company which was part of the TNEB before demerger is yet to be ascertained and made available.</p> | Factual                                                                                                                                                           |
| 11     | Based on examination of books of account and according to the information and explanation given to us the Company has defaulted in repayment of dues to financial institutions or banks amounting to Rs.62.98 Crores.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Due to shortage of funds the payments are delayed since August 2011, but all the delayed dues are repaid within the period of 90 days from the original due date. |

| TAMIL NADU TRANSMISSION CORPORATION LIMITED |                                                                 |          |                         |                  |                        |                  |                        |
|---------------------------------------------|-----------------------------------------------------------------|----------|-------------------------|------------------|------------------------|------------------|------------------------|
| BALANCE SHEET AS AT 31st MARCH 2012         |                                                                 |          |                         |                  |                        |                  |                        |
| (Amount in Rs)                              |                                                                 |          |                         |                  |                        |                  |                        |
| Sl. No.                                     | Particulars                                                     | Sch. No. | Account Code            | AS at 31.03.2012 |                        | AS at 31.03.2011 |                        |
| I                                           | <b>SOURCES OF FUNDS :</b>                                       |          |                         |                  |                        |                  |                        |
| 1                                           | Share holders Funds                                             |          |                         |                  |                        |                  |                        |
|                                             | Share Capital                                                   | 1        | 54                      | 2334,01,04,000   |                        | 1927,54,77,930   |                        |
|                                             | Share Deposit                                                   |          |                         |                  |                        |                  |                        |
|                                             | Reserves and Reserve Funds                                      | 2        | 56 & 57                 | 314,62,78,866    |                        | 242,46,74,588    |                        |
|                                             |                                                                 |          |                         |                  | 2648,63,82,866         |                  | 21,700,152,518         |
| 2                                           | <b>Loans Funds</b>                                              |          |                         |                  |                        |                  |                        |
|                                             | Secures Loans                                                   | 3        | 51 to 53                | 10219,17,75,331  |                        | 12452,98,81,318  |                        |
|                                             | Unsecured Loans                                                 | 4        |                         |                  |                        |                  |                        |
|                                             |                                                                 |          |                         |                  | 10219,17,75,331        |                  | 12452,98,81,318        |
| 3                                           | <b>Other Funds</b>                                              |          |                         |                  |                        |                  |                        |
|                                             | Contributions Grants & Subsidies towards cost of Capital Assets | 5        | 55                      | 2,79,13,752      | 2,79,13,752            | 18,69,400        | 18,69,400              |
|                                             | <b>TOTAL</b>                                                    |          |                         |                  | <b>12870,60,71,950</b> |                  | <b>14623,19,03,236</b> |
| II                                          | <b>APPLICATION OF FUNDS :</b>                                   |          |                         |                  |                        |                  |                        |
| 1                                           | <b>Fixed Assets</b>                                             | 6        |                         |                  |                        |                  |                        |
|                                             | a) Gross Block                                                  | 6(a)     | 10 to 11                | 12463,01,53,812  |                        | 12291,52,57,324  |                        |
|                                             | b) Less : Depreciation                                          | 6(b)     | 12 to 13                | 3803,25,82,131   |                        | 3513,98,54,671   |                        |
|                                             | c) Net Block                                                    | 6(c)     |                         | 8659,75,71,681   |                        | 8777,54,02,653   |                        |
|                                             | d) Capital work in Progress                                     | 7        | 14 to 15                | 2712,30,77,391   |                        | 1948,53,52,505   |                        |
|                                             | e) Assets not in use                                            | 8        | 16                      | 9717             |                        |                  |                        |
|                                             | f) Intangible Assets                                            | 9        | 18                      |                  |                        |                  |                        |
|                                             |                                                                 |          |                         |                  | 11372,06,58,789        |                  | 10726,07,55,158        |
| 2                                           | <b>Investments</b>                                              | 10       | 20                      |                  |                        |                  |                        |
| 3                                           | <b>Current Assets</b>                                           | 11       |                         |                  |                        |                  |                        |
|                                             | a) Stores & Spares                                              | 11(a)    | 21 to 22                | 367,53,30,820    |                        | 463,78,02,686    |                        |
|                                             | b) Sundry Debtors                                               | 11(b)    | 23                      | 2130,61,51,979   |                        | 508,73,43,094    |                        |
|                                             | c) Cash and bank balances                                       | 11(c)    | 24                      | 46,45,04,573     |                        | 17,48,86,953     |                        |
|                                             | d) Loans and Advances                                           | 11(d)    | 26 to 27                | 9,34,31,666      |                        | 8,29,63,916      |                        |
|                                             | e) Sundry Receivable                                            | 11(e)    | 28 ( less 28.610 & 620) | 2960,39,65,359   |                        | 1155,85,65,530   |                        |
|                                             | f) Inter Unit Accounts                                          |          | 30 to 37                | 13,29,92,571     |                        | 40,40,35,771     |                        |
|                                             | g) Subsidy Receivable from Govt                                 | 14       | 28.610 & 620            | 0                |                        | 0                |                        |
|                                             |                                                                 |          |                         | 5527,63,76,968   |                        | 2194,55,97,943   |                        |
|                                             | <b>Less</b>                                                     |          |                         |                  |                        |                  |                        |
|                                             | Current Liabilities and Provision                               | 12 to 13 | 40 to 50                | 8060,95,09,387   |                        | 2329,29,95,445   |                        |
|                                             | <b>Net Current Assets</b>                                       |          |                         |                  | (25333132419)          |                  | (1,347,397,502)        |
| 4                                           | <b>Profit and Loss Account</b>                                  | 29       |                         |                  | 4031,85,45,580         |                  | 40,318,545,580         |
| 5                                           | <b>Deferred Revenue Expenditure</b>                             | 15       |                         |                  |                        |                  |                        |
|                                             | <b>TOTAL</b>                                                    |          |                         |                  | <b>12870,60,71,950</b> |                  | <b>14623,19,03,236</b> |

Sd/-  
M.MAHESWARI BAI  
Chief Financial Controller

sd/-  
S.SEEKIZHAR  
Director/Finance

sd/-  
V.G. MANOHARAN  
Managing Director(i/c)

Sd/-  
K. MUTHUPANDIAN  
Company Secretary

As per our report of even date  
For M/s Venkatesh & Co  
Chartered Accountants  
Firm No. 004636S

Date: 20.05.2013  
Place: Chennai.

Sd/-  
(V.DASARATY)  
Partner  
Membership No. 26336

| TAMIL NADU TRANSMISSION CORPORATION LIMITED           |                                                         |          |               |                              |                                      |
|-------------------------------------------------------|---------------------------------------------------------|----------|---------------|------------------------------|--------------------------------------|
| PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2012 |                                                         |          |               |                              |                                      |
|                                                       |                                                         |          |               | (Amount in Rs.)              |                                      |
| Sl. No.                                               | Particulars                                             | Sch. No. | Account Code  | Period ended 31st March 2012 | Period from 01.11.2010 to 31.03.2011 |
| <b>I</b>                                              | <b>INCOME</b>                                           |          |               |                              |                                      |
| 1                                                     | Revenue from transmission of Power                      | 16       | 61,800        | 1707,05,97,661               | 524,32,69,822                        |
| 2                                                     | Other income                                            | 17       | 62            | 37,79,89,354                 | 10,05,74,781                         |
|                                                       | <b>TOTAL</b>                                            |          |               | <b>1744,85,87,015</b>        | <b>534,38,44,603</b>                 |
| <b>II</b>                                             | <b>EXPENDITURE</b>                                      |          |               |                              |                                      |
| 1                                                     | Repairs and Maintenance                                 | 18       | 74            | 7,98,35,067                  | 3,63,97,873                          |
| 2                                                     | Employee Cost                                           | 19       | 75            | 360,80,62,095                | 147,90,60,648                        |
| 3                                                     | Administrative and General Expenses                     | 20       | 76            | 19,61,71,572                 | 8,01,09,399                          |
| 4                                                     | Other Expenses                                          | 21       | 79            | 14,67,015                    | 36,33,588                            |
|                                                       | <b>SUB - TOTAL</b>                                      |          |               | <b>388,55,35,749</b>         | <b>159,92,01,508</b>                 |
| 5                                                     | Expenses capitalised                                    | 22       | 749,75,9,76,9 | 85,65,03,582                 | 39,37,00,143                         |
|                                                       |                                                         |          | 77,9,79,9     |                              |                                      |
|                                                       | <b>TOTAL</b>                                            |          |               | <b>302,90,32,167</b>         | <b>120,55,01,365</b>                 |
| <b>III</b>                                            | <b>PROFIT / (LOSS) BEFORE DEPRECIATION AND INTEREST</b> |          |               | 144,19,54,848                | 413,83,43,238                        |
| 1                                                     | Less Depreciation (Net)                                 | 23       | 77            | (29,09,1,03,643)             | (121,23,24,294)                      |
| <b>IV</b>                                             | <b>PROFIT / (LOSS) BEFORE INTEREST AND TAXES</b>        |          |               | 115,10,45,205                | 292,60,18,944                        |
| 1                                                     | Less Interest and finance Charges                       | 24       | 78            | (138,5,93,40,807)            | (342,45,09,525)                      |
|                                                       | Less Interest Charges Capitalised                       | 25       | 78,9          | 240,95,05,907                | 49,84,90,581                         |
|                                                       | Extra ordinary items                                    | 28       | 79,8          | (231,83,137)                 |                                      |
| 2                                                     | Add / less Prior Period Credits/ (Charges)              | 26       | 65 & 83       | (374,33,168)                 | 0                                    |
| <b>V</b>                                              | <b>PROFIT / (LOSS) BEFORE TAX</b>                       |          |               | 0                            |                                      |
| 1                                                     | Provision for Taxation                                  | 27       | 46.8          |                              |                                      |
| <b>VI</b>                                             | <b>NET PROFIT / (LOSS) AFTER TAXATION</b>               |          |               | 0                            | (3,81,067)                           |
|                                                       | Balance of Profit brought Forwarded From Previous years |          |               |                              |                                      |
| <b>VII</b>                                            | <b>APPROPRIATIONS</b>                                   |          |               |                              |                                      |
|                                                       | Balance carried to Balance Sheet                        |          |               | 0                            | (3,81,067)                           |

Sd/-  
M.MAHESWARI BAI  
Chief Financial Controller

sd/-  
S.SEEKIZHAR  
Director/Finance

sd/-  
V.G. MANOHARAN  
Managing Director (i/c)

Sd/-  
K. MUTHUPANDIAN  
Company Secretary

As per our report of even date  
For M/s Venkatesh & Co  
Chartered Accountants  
Firm No. 004636S

Date: 20.05.2013  
Place: Chennai.

Sd/-  
(V.DASARATY)  
Partner  
Membership No. 26336

| SHARE CAPITAL |                                                                                              |                 |                                                    |                                         | SCHEDULE 1                            |                                               |
|---------------|----------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------|-----------------------------------------|---------------------------------------|-----------------------------------------------|
| Sl. No.       | Particulars                                                                                  | Account Code    | Outstanding at the end of previous year 31.03.2011 | Amount received during the year 2011-12 | Repayment due during the year 2011 12 | Outstanding at the end of the year 31.03.2012 |
|               |                                                                                              |                 | Rs.                                                | Rs.                                     | Rs.                                   | Rs.                                           |
| 1             | Equity Share capital<br>2334010400 shares of Rs.10 each<br>(1927547793 shares of Rs.10 each) | 54.500          | 1927,54,77,930                                     | 406,46,26,070                           |                                       | 2334,01,04,000                                |
| 2             | Loan Under Section 60(2)                                                                     | 54.100 & 54.200 | 0                                                  |                                         |                                       | 0                                             |
| 3             | Loan Under Section 64                                                                        |                 | 0                                                  |                                         |                                       | 0                                             |
| 4             | Govt.Loan in lieu of Open Market Loan                                                        | 54.410          | 0                                                  | 0                                       | 0                                     | 0                                             |
|               |                                                                                              | Total           | 1927,54,77,930                                     | 406,46,26,070                           | 0                                     | 2334,01,04,000                                |

| RESERVE AND RESERVE FUNDS                                |                                    |                                     |         |                                 |              |                                                | SCHEDULE 2                        |                                    |                                    |
|----------------------------------------------------------|------------------------------------|-------------------------------------|---------|---------------------------------|--------------|------------------------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| Balance at the beginning of the previous year 31.10.2010 | Additions 01.11.2010 to 31.03.2011 | Deductions 01.11.2010 to 31.03.2011 | Sl. No. | Particulars                     | Account Code | Balance at the end of previous year 31.03.2011 | Additions during the year 2011-12 | Deductions during the year 2011-12 | Balance at the end year 31.03.2012 |
| Rs.                                                      | Rs.                                | Rs.                                 |         |                                 |              | Rs.                                            | Rs.                               | Rs.                                | Rs.                                |
| -                                                        | -                                  | -                                   |         | <b>RESERVES</b>                 |              |                                                |                                   |                                    |                                    |
| -                                                        | -                                  | -                                   | 1       | General Reserves                | 56.100       | -                                              | -                                 | -                                  | -                                  |
| -                                                        | -                                  | -                                   | 2       | Capital Reserves                | 56.200       | -                                              | -                                 | -                                  | -                                  |
| -                                                        | -                                  | -                                   | 3       | Other Reserves                  | 56.600       | -                                              | -                                 | -                                  | -                                  |
| -                                                        | 11,82,23,450                       | 1,82,02,410                         | 4       | Res. for Material Cost variance | 56.610       | 10,00,21,040                                   | 25,89,74,587                      | 6,05,14,806                        | 29,84,80,821                       |
| 0                                                        | 11,82,23,450                       | 1,82,02,410                         |         | <b>Total Reserves (A)</b>       |              | 10,00,21,040                                   | 25,89,74,587                      | 6,05,14,806                        | 29,84,80,821                       |
| -                                                        | -                                  | -                                   |         | <b>RESERVE FUNDS</b>            |              |                                                |                                   |                                    |                                    |
| 171,46,24,026                                            | 35,82,96,049                       | 21,89,89,173                        | 1       | TNEB GPF (Incl. Int)            | 57.120       | 185,39,30,902                                  | 91,66,59,029                      | 61,68,55,915                       | 215,37,34,016                      |
| -                                                        | 4,10,51,118                        | -                                   | 2       | Staff Pension Fund              | 57.140       | 41051118                                       | 18,32,57,750                      | 10,25,52,883                       | 12,17,55,985                       |
| 9,20,71,850                                              | 27,43,318                          | 10,98,596                           | 3       | Special TNEB PF cum Gratuity    | 57.135       | 9,37,16,572                                    | 94,99,644                         | 47,88,969                          | 9,84,27,247                        |
| 10,57,48,479                                             | 39,70,353                          | 25,58,885                           | 4       | Family Benefit Fund             | 57.155       | 10,71,59,947                                   | 95,92,433                         | 44,39,388                          | 11,23,12,992                       |
| 75,38,204                                                | 3,09,051                           | 21,168                              | 5       | HBA Spl. Family Benefit Fund    | 57.160       | 78,26,097                                      | 7,08,758                          | 20,607                             | 85,14,248                          |
| 48,74,051                                                | 1,28,839                           | 1,21,614                            | 6       | Medical Health Fund             | 57.165       | 48,81,276                                      | 5,94,442                          | 2,92,654                           | 51,83,064                          |
| 38,63,090                                                | -                                  | -                                   | 7       | Pensioner's Health Fund         | 57.167       | 38,63,090                                      |                                   |                                    | 38,63,090                          |
| 1,63,64,596                                              | -                                  | -                                   | 8       | TNEB Pen. FBF                   | 57.168       | 1,63,64,596                                    |                                   |                                    | 1,63,64,596                        |
| 16,19,52,598                                             | 4,02,72,094                        | 63,64,742                           | 9       | Contributory Pension Scheme     | 57.170       | 19,58,59,950                                   | 14,79,72,656                      | 1,61,89,799                        | 32,76,42,807                       |
| 210,70,36,894                                            | 44,67,70,832                       | 22,91,54,178                        |         | Total Reserve Fund (B)          |              | 232,46,53,548                                  | 126,82,84,712                     | 74,51,40,215                       | 284,77,98,045                      |
| 210,70,36,894                                            | 56,49,94,282                       | 24,73,56,588                        |         | <b>GRAND TOTAL (A+B)</b>        |              | 242,46,74,588                                  | 152,72,59,299                     | 80,56,55,021                       | 314,62,78,866                      |

| SECURE LOANS                                           |                                                               |                                                            |         |                                                   |              |                                                |                                         |                                          |                                          | SCHEDULE 3 |  |  |  |
|--------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------|---------|---------------------------------------------------|--------------|------------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------|--|--|--|
| Due at the beginning of the previous year<br>1.11.2010 | Becoming due during the previous year<br>01.11.10 to 31.03.11 | Payments made during previous year<br>01.11.10 to 31.03.11 | Sl. No. | Particulars                                       | Account Code | Due at the beginning of the year<br>31.03.2011 | Becoming due during the year<br>2011-12 | Payments made during the year<br>2011-12 | Due at the end of the year<br>31.03.2012 |            |  |  |  |
| Rs.                                                    | Rs.                                                           | Rs.                                                        |         |                                                   |              | Rs.                                            | Rs.                                     | Rs.                                      | Rs.                                      |            |  |  |  |
| -                                                      | -                                                             | -                                                          |         | Principal accrued and due on Capital Liabilities. |              |                                                |                                         |                                          |                                          |            |  |  |  |
| -                                                      |                                                               | -                                                          |         |                                                   |              |                                                |                                         |                                          |                                          |            |  |  |  |
| -                                                      | 26,12,00,000                                                  | 26,12,00,000                                               | 1       | TNEB Bonds                                        | 51.150       | -                                              | 221,52,80,000                           | 221,52,80,000                            | -                                        |            |  |  |  |
| -                                                      | 22,35,12,671                                                  | 22,35,12,671                                               | 2       | LIC                                               | 51.101       | -                                              | 65,99,05,333                            | 46,32,05,995                             | 19,66,99,338                             |            |  |  |  |
| -                                                      | 127,40,17,006                                                 | 127,40,17,006                                              | 3       | REC                                               | 51.113       | -                                              | 142,14,57,971                           | 142,14,57,971                            | -                                        |            |  |  |  |
| -                                                      |                                                               |                                                            | 4       | CEA                                               | 51.121       | -                                              |                                         |                                          | -                                        |            |  |  |  |
| -                                                      |                                                               |                                                            | 5       | RGGY                                              | 51.171       | -                                              |                                         |                                          | -                                        |            |  |  |  |
| -                                                      | 2,82,95,035                                                   | 2,82,95,035                                                | 6       | Power Finance Corpn.                              | 51.116       | -                                              | 769,27,65,065                           | 769,27,65,065                            | -                                        |            |  |  |  |
| -                                                      | 19,36,10,439                                                  | 19,36,10,439                                               | 7       | Tamil Nadu POWERFIN                               | 51.129       | -                                              | 871,01,94,613                           | 871,01,94,613                            | -                                        |            |  |  |  |
| -                                                      |                                                               |                                                            | 8       | Lease Finance TNPFC                               | 51.134       | -                                              |                                         |                                          | -                                        |            |  |  |  |
| -                                                      | 49,37,51,511                                                  | 49,37,51,511                                               | 9       | Hudco                                             | 51.166       | -                                              | 99,29,87,325                            | 74,41,12,463                             | 24,88,74,862                             |            |  |  |  |
| -                                                      | 100,00,00,000                                                 | 100,00,00,000                                              | 10      | Medium term loan                                  | 51.164       | -                                              | 1154,31,55,555                          | 1154,31,55,555                           | -                                        |            |  |  |  |
| -                                                      | 347,43,86,662                                                 | 347,43,86,662                                              |         | Total repayment of Loan (A)                       |              | -                                              | 3323,57,45,862                          | 3279,01,71,662                           | 44,55,74,200                             |            |  |  |  |

| SECURED LOANS                                          |                                                               |                                                                |                               |                                                 |              |                                                |                                         |                                          |                                          | SCHEDULE 3 |  |  |  |
|--------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|-------------------------------|-------------------------------------------------|--------------|------------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------|--|--|--|
| Due at the beginning of the previous year<br>1.11.2010 | Becoming due during the previous year<br>01.11.10 to 03.11.11 | Payments made during the previous year<br>01.11.10 to 31.03.11 | Sl. No.                       | Particulars                                     | Account Code | Due at the beginning of the year<br>31.03.2011 | Becoming due during the year<br>2011-12 | Payments made during the year<br>2011-12 | Due at the end of the year<br>31.03.2012 |            |  |  |  |
| Rs.                                                    | Rs.                                                           | Rs.                                                            |                               |                                                 |              | Rs.                                            | Rs.                                     | Rs.                                      | Rs.                                      |            |  |  |  |
| -                                                      | -                                                             | -                                                              |                               | II Interest accrued and due on 51.201 to 51.299 |              |                                                |                                         |                                          |                                          |            |  |  |  |
| -                                                      | 74,39,47,400                                                  | 74,39,47,400                                                   | a)                            | TNEB Bonds                                      | 51.250       |                                                | 147,08,43,475                           | 147,08,43,475                            | -                                        |            |  |  |  |
| -                                                      | 8,76,95,040                                                   | 8,76,95,040                                                    | b)                            | LIC                                             | 51.201       | -                                              | 38,93,92,417                            | 20,51,49,594                             | 18,42,42,823                             |            |  |  |  |
| -                                                      | 61,34,36,444                                                  | 61,34,36,444                                                   | c)                            | REC                                             | 51.213       | -                                              | 180,21,58,292                           | 180,21,58,292                            | -                                        |            |  |  |  |
| -                                                      |                                                               |                                                                | d)                            | Central Eloy,Authority                          | 51.221       | -                                              |                                         |                                          | -                                        |            |  |  |  |
| -                                                      |                                                               |                                                                | e)                            | RGGY                                            | 51.271       | -                                              |                                         |                                          | -                                        |            |  |  |  |
| -                                                      | 9,72,43,016                                                   | 9,72,43,016                                                    | f)                            | PFC                                             | 51.216       | -                                              | 81,57,33,505                            | 81,57,33,505                             | -                                        |            |  |  |  |
| -                                                      | 8,49,17,547                                                   | 8,49,17,547                                                    | g)                            | TNPFC                                           | 51.229       | -                                              | 228,59,45,910                           | 228,59,45,910                            | -                                        |            |  |  |  |
| -                                                      |                                                               |                                                                | h)                            | Lease Rent TNPFC                                | 51.234       | -                                              |                                         |                                          | -                                        |            |  |  |  |
| -                                                      | 37,76,31,506                                                  | 37,76,31,506                                                   | i)                            | HUDCO                                           | 51.266       | -                                              | 118,76,33,930                           | 118,76,33,930                            | -                                        |            |  |  |  |
| -                                                      | 189,29,37,022                                                 | 189,29,37,022                                                  | j)                            | Medium term loan                                | 51.264       | -                                              | 590,29,20,889                           | 590,29,20,889                            | -                                        |            |  |  |  |
| -                                                      | 389,78,07,975                                                 | 389,78,07,975                                                  | Total payment of Interest (B) |                                                 |              | -                                              | 1385,46,28,418                          | 1367,03,85,595                           | 18,42,42,823                             |            |  |  |  |
| -                                                      | 737,21,94,637                                                 | 737,21,94,637                                                  | Grand Total {A+B}             |                                                 |              | -                                              | 4709,03,74,280                          | 4646,05,57,257                           | 62,98,17,023                             |            |  |  |  |

| SECURED LOANS                                                    |                                                                   |                                                                  |         |                                 |                                                 |                                         |                                                    |                                         |                                        | SCHEDULE 3                                    |  |  |  |
|------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------|---------|---------------------------------|-------------------------------------------------|-----------------------------------------|----------------------------------------------------|-----------------------------------------|----------------------------------------|-----------------------------------------------|--|--|--|
| Outstanding at the beginning of the previous year 01.11.2010 Rs. | Amount received during the previous year 01.11.2010 to 31.03.2011 | Repayments due during the previous year 01.11.2010 to 31.03.2011 | Sl. No. | Particulars                     | Interest rate applicable at the end of the year | Account Code/ Sub account under 52 & 53 | Outstanding at the end of previous year 31.03.2011 | Amount received during the year 2011-12 | Repayments due during the year 2011-12 | Outstanding at the end of the year 31.03.2012 |  |  |  |
| Rs.                                                              | Rs.                                                               | Rs.                                                              |         |                                 |                                                 | Rs.                                     | Rs.                                                | Rs.                                     | Rs.                                    | Rs.                                           |  |  |  |
| 1661,83,62,742                                                   |                                                                   | 26,12,00,000                                                     | 1       | Public Loan TNEB Bonds          | 13.02%                                          | 52.110                                  | 1635,71,62,742                                     |                                         | 221,52,80,000                          | 1414,18,82,742                                |  |  |  |
| 494,51,82,227                                                    |                                                                   | 22,35,12,671                                                     | 2       | Loan from Life Insurance Corpn. | 9.05%                                           | 52.501                                  | 472,16,69,556                                      |                                         | 65,99,05,333                           | 406,17,64,223                                 |  |  |  |
| 1459,71,01,090                                                   | 532,29,06,245                                                     | 127,40,17,006                                                    | 3       | Loan from Rural Elecn. Corpn.   | 11.65%                                          | 53.310                                  | 1864,59,90,329                                     | 459,16,28,301                           | 142,14,57,971                          | 2181,61,60,659                                |  |  |  |
| 658,64,59,863                                                    | 500,00,00,000                                                     | 2,82,95,035                                                      | 4       | Power Finance Corporation       | 11.00%                                          | 53.710                                  | 1155,81,64,828                                     | 500,00,00,000                           | 769,27,65,065                          | 886,53,99,763                                 |  |  |  |
| 2859,78,35,940                                                   | 47,84,95,438                                                      | 19,36,10,439                                                     | 5       | Loan Tamil Nadu POWERFIN        | 10.65%                                          | 53.729                                  | 2888,27,20,939                                     | 67,61,94,551                            | 871,01,94,613                          | 2084,87,20,877                                |  |  |  |
| 3964,89,26,089                                                   |                                                                   | 100,00,00,000                                                    | 6       | Medium Term Loan                | 10.50%                                          | 53.864                                  | 3864,89,26,089                                     |                                         | 1154,31,55,555                         | 2710,57,70,534                                |  |  |  |
| 620,89,98,346                                                    |                                                                   | 49,37,51,511                                                     | 7       | HUDCO                           | 10.25%                                          | 53.720                                  | 571,52,46,835                                      |                                         | 99,29,87,325                           | 472,22,59,510                                 |  |  |  |
| 11720,28,66,297                                                  | 1080,14,01,683                                                    | 347,43,86,662                                                    |         | TOTAL                           |                                                 |                                         | 12452,98,81,318                                    | 1026,78,22,852                          | 3323,57,45,862                         | 10156,19,58,308                               |  |  |  |

| CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS<br>COST OF CAPITAL ASSETS        |                                                                               |            |                                                      |                 |                                                                        |                                                           | SCHEDULE 5                                                  |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------|------------------------------------------------------|-----------------|------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|
| Balance at the<br>beginning of the<br>previous year<br>01.11.2010<br><br>Rs. | Received during<br>previous year<br>01.11.2010<br>to<br>31.03.2011<br><br>Rs. | Sl.<br>No. | Particulars                                          | Account<br>Code | Balance at the<br>end of the<br>previous year<br>31.03.2011<br><br>Rs. | Additions<br>during<br>current year<br>2011-12<br><br>Rs. | Total at the<br>end of the<br>year<br>31.03.2012<br><br>Rs. |
|                                                                              | 18,69,400                                                                     | 1          | Consumer's Contribution                              | 55.100          | 18,69,400                                                              | 2,60,44,352                                               | 2,79,13,752                                                 |
| 0                                                                            | 18,69,400                                                                     |            | Total Consumer's Contribution                        |                 | 18,69,400                                                              | 2,60,44,352                                               | 2,79,13,752                                                 |
|                                                                              |                                                                               |            |                                                      |                 |                                                                        |                                                           |                                                             |
|                                                                              |                                                                               | 2          | Subsidies towards cost of<br>capital Assets TEDA     | 55.200          | 0                                                                      |                                                           | 0                                                           |
|                                                                              |                                                                               | 3          | Grants towards cost of<br>Capital Assets             | 55.300          | 0                                                                      |                                                           | 0                                                           |
|                                                                              |                                                                               | 4          | Grant from Govt.of India<br>Research and Development | 55.311          | 0                                                                      |                                                           | 0                                                           |
|                                                                              |                                                                               | 5          | Grant from Govt.of Tamil Nadu                        | 55.312          | 0                                                                      |                                                           | 0                                                           |
|                                                                              |                                                                               | 6          | Grant in-aid from GOI                                | 55.314          | 0                                                                      |                                                           | 0                                                           |
| 0                                                                            | 0                                                                             |            | Total                                                |                 | 0                                                                      | 0                                                         | 0                                                           |
| 0                                                                            | 18,69,400                                                                     |            | GRAND TOTAL                                          |                 | 18,69,400                                                              | 2,60,44,352                                               | 2,79,13,752                                                 |

| FIXED ASSETS AND PROVISION FOR DEPRECIATION |                                                                      |                  |                                                     |                       |                        |                                       |
|---------------------------------------------|----------------------------------------------------------------------|------------------|-----------------------------------------------------|-----------------------|------------------------|---------------------------------------|
| GROSS BLOCK                                 |                                                                      |                  |                                                     |                       |                        |                                       |
| Sl. No.                                     | Asset Group                                                          | Account Code No. | At the beginning of the current year 31.03.2011 Rs. | Additions 2011-12 Rs. | Deductions 2011-12 Rs. | At the end of the year 31.03.2012 Rs. |
| 1                                           | Land and Land rights                                                 | 10.100           | 2866,88,35,775                                      | 11,79,412             |                        | 2867,00,15,187                        |
|                                             |                                                                      |                  | (2866,87,92,145)                                    | (43,630)              |                        | (2866,87,48,515)                      |
| 2                                           | Buildings                                                            | 10.200           | 319,40,89,021                                       | 11,41,57,495          | 69,040                 | 330,81,77,476                         |
|                                             |                                                                      |                  | (316,66,17,347)                                     | (2,74,71,674)         |                        | (319,40,89,021)                       |
| 3                                           | Hydraulic works                                                      | 10.300           | 2,23,65,636                                         |                       | 39,325                 | 2,23,26,311                           |
|                                             |                                                                      |                  | (2,23,26,311)                                       | (39,325)              |                        | (2,22,86,986)                         |
| 4                                           | Other civil works                                                    | 10.400           | 116,51,85,647                                       | 5,30,61,818           | 3,19,798               | 121,79,27,667                         |
|                                             |                                                                      |                  | (114,25,95,105)                                     | (2,25,90,542)         |                        | (116,51,85,647)                       |
| 5                                           | Plant & Machinery                                                    | 10.500           | 4078,86,31,174                                      | 84,10,80,216          | 1,93,18,080            | 4161,03,93,310                        |
|                                             |                                                                      |                  | (4048,76,05,658)                                    | (301,492,238)         | (4,66,722)             | (4018,56,46,698)                      |
| 6                                           | Lines & Cables Network                                               | 10.600           | 4794,62,51,239                                      | 72,46,97,593          | 1,48,660               | 4867,08,00,172                        |
|                                             |                                                                      |                  | (4770,59,09,399)                                    | (24,03,41,840)        |                        | (4794,62,51,239)                      |
| 7                                           | Vehicles                                                             | 10.700           | 25,19,00,517                                        | 9,91,012              | 3,72,050               | 25,25,19,479                          |
|                                             |                                                                      |                  | (25,19,00,517)                                      | 0                     |                        | (25,19,00,517)                        |
| 8                                           | Furniture & Fixtures                                                 | 10.800           | 20,77,60,274                                        | 83,926                | 56,494                 | 20,77,87,706                          |
|                                             |                                                                      |                  | (20,77,49,924)                                      | (11,335)              | (985)                  | (20,77,37,604)                        |
| 9                                           | Office Equipment                                                     | 10.900           | 66,96,06,424                                        | 85,328                | 1,16,865               | 66,95,74,887                          |
|                                             |                                                                      |                  | (66,93,70,796)                                      | (2,56,063)            | (20,435)               | (66,96,47,294)                        |
|                                             | Sub Total                                                            |                  | 12291,46,25,707                                     | 173,53,36,800         | 2,04,40,312            | 12462,95,22,195                       |
|                                             |                                                                      |                  | (12232,28,67,202)                                   | (59,22,46,647)        | (4,88,142)             | (12291,46,25,707)                     |
|                                             |                                                                      |                  |                                                     |                       |                        |                                       |
|                                             |                                                                      |                  |                                                     |                       |                        |                                       |
| 10                                          | Capital Expenditure Resulting in an asset not belonging to the Board | 11,000           | 6,31,617                                            |                       | 0                      | 6,31,617                              |
|                                             |                                                                      |                  | (6,31,617)                                          |                       |                        | (6,31,617)                            |
|                                             |                                                                      |                  |                                                     |                       |                        |                                       |
|                                             | TOTAL                                                                |                  | 6,31,617                                            | 0                     | 0                      | 6,31,617                              |
|                                             |                                                                      |                  | (6,31,617)                                          | (0)                   | (0)                    | (6,31,617)                            |
|                                             |                                                                      |                  |                                                     |                       |                        |                                       |
|                                             | GRAND TOTAL                                                          |                  | 12291,52,57,324                                     | 173,53,36,800         | 2,04,40,312            | 12463,01,53,195                       |
|                                             |                                                                      |                  | (12232,34,98,819)                                   | (59,22,46,647)        | (4,88,142)             | (12291,52,57,324)                     |

Note : Figures shown in brackets relates to previous year

| FIXED ASSETS AND PROVISION FOR DEPRECIATION               |                                                                      |                  |                                                        |                                  | SCHEDULE - 6 (b)          |                                          |
|-----------------------------------------------------------|----------------------------------------------------------------------|------------------|--------------------------------------------------------|----------------------------------|---------------------------|------------------------------------------|
| DEPRECIATION                                              |                                                                      |                  |                                                        |                                  |                           |                                          |
| Sl. No.                                                   | Asset Group                                                          | Account Code No. | At the beginning of the current year 31.03.2011<br>Rs. | Additions 2011-12<br>Rs.         | Deductions 2011-12<br>Rs. | At the end of the year 31.03.2012<br>Rs. |
| 1                                                         | Land and Land rights                                                 | 12.100           |                                                        |                                  |                           | 0                                        |
| 2                                                         | Buildings                                                            | 12.200           | 45,10,75,645<br>(42,77,06,943)                         | 5,64,30,248<br>(2,33,68,702)     | 62,136                    | 50,74,43,757<br>(45,10,75,645)           |
| 3                                                         | Hydraulic works                                                      | 12.300           | 57,28,806<br>(54,99,581)                               | 5,46,972<br>(2,29,225)           | 1,741                     | 62,74,037<br>(57,28,806)                 |
| 4                                                         | Other civil works                                                    | 12.400           | 18,07,22,948<br>(17,25,43,612)                         | 1,93,46,274<br>(81,79,336)       | 2,87,818                  | 19,97,81,404<br>(18,07,22,948)           |
| 5                                                         | Plant & Machinery                                                    | 12.500           | 1612,19,40,800<br>(15,530,923,492)                     | 140,72,38,772<br>(59,13,61,938)  | 1,73,86,272<br>(3,44,630) | 1751,17,93,300<br>14,939,906,184)        |
| 6                                                         | Lines & Cables Network                                               | 12.600           | 1780,56,46,611<br>(1723,65,89,633)                     | 137,74,94,334<br>(56,90,56,978)  | 1,33,794                  | 1918,30,07,151<br>(1780,56,46,611)       |
| 7                                                         | Vehicles                                                             | 12.700           | 24,65,14,130<br>(24,65,14,130)                         |                                  | 3,34,845                  | 246,179,285)                             |
| 8                                                         | Furniture & Fixtures                                                 | 12.800           | 12,34,02,216<br>(11,84,43,532)                         | 1,26,99,794<br>(49,59,570)       | 50,845<br>(886)           | 13,60,51,165<br>(12,34,02,216)           |
| 9                                                         | Office Equipment                                                     | 12.900           | 20,42,70,187<br>(18,91,20,034)                         | 3,72,95,798<br>(1,51,68,545)     | 1,05,178<br>(18,392)      | 24,14,60,807<br>(20,43,06,971)           |
|                                                           | Sub Total                                                            |                  | 3513,93,01,343<br>(3392,73,40,957)                     | 291,10,52,192<br>(77,96,57,781)  | 1,83,62,629<br>(3,63,908) | 3803,19,90,906<br>(3470,66,34,830)       |
|                                                           |                                                                      |                  |                                                        |                                  |                           |                                          |
|                                                           |                                                                      |                  |                                                        |                                  |                           |                                          |
| 10                                                        | Capital Expenditure Resulting in an asset not belonging to the Board | 13.100<br>13.100 | 5,53,328<br>(5,53,328)                                 | 37,897                           |                           | 5,91,225<br>(5,53,328)                   |
|                                                           |                                                                      |                  |                                                        |                                  |                           |                                          |
|                                                           | TOTAL                                                                |                  | 5,53,328<br>(5,53,328)                                 | 37,897<br>(0)                    | 0<br>(0)                  | 5,91,225<br>(5,53,328)                   |
|                                                           |                                                                      |                  |                                                        |                                  |                           |                                          |
|                                                           | GRAND TOTAL                                                          |                  | 3513,98,54,671<br>(3392,78,94,285)                     | 291,10,90,089<br>(121,23,24,294) | 1,83,62,629<br>(3,63,908) | 3803,25,82,131<br>(3513,98,54,671)       |
|                                                           |                                                                      |                  |                                                        |                                  |                           |                                          |
| Note : Figures shown in brackets relates to previous year |                                                                      |                  |                                                        |                                  |                           |                                          |

Note : Figures shown in brackets relates to previous year

| FIXED ASSETS AND PROVISION FOR DEPRECIATION               |                                                                      |                  | SCHEDULE - 6 (c)                      |                                       |
|-----------------------------------------------------------|----------------------------------------------------------------------|------------------|---------------------------------------|---------------------------------------|
| NET BLOCK                                                 |                                                                      |                  |                                       |                                       |
| Sl. No.                                                   | Asset Group                                                          | Account Code No. | At the end of the year 31.03.2012 Rs. | At the end of the year 31.03.2011 Rs. |
| 1                                                         | Land and Land rights                                                 | 10.100           | 2867,00,15,187                        | 2866,88,35,775                        |
|                                                           |                                                                      |                  | (2866,88,35,775)                      | (2866,87,92,145)                      |
| 2                                                         | Buildings                                                            | 10.200           | 280,07,33,719                         | 274,30,13,376                         |
|                                                           |                                                                      |                  | (274,30,13,376)                       | (273,89,10,404)                       |
| 3                                                         | Hydraulic works                                                      | 10.300           | 1,60,52,274                           | 1,66,36,830                           |
|                                                           |                                                                      |                  | (1,66,36,830)                         | (1,68,26,730)                         |
| 4                                                         | Other civil works                                                    | 10.400           | 101,81,46,263                         | 98,44,62,699                          |
|                                                           |                                                                      |                  | (98,44,62,699)                        | (97,00,51,493)                        |
| 5                                                         | Plant & Machinery                                                    | 10.500           | 2409,86,00,010                        | 2466,66,90,374                        |
|                                                           |                                                                      |                  | (2466,66,90,374)                      | (5601,85,29,150)                      |
| 6                                                         | Lines & Cables Network                                               | 10.600           | 2948,77,93,021                        | 3014,06,04,628                        |
|                                                           |                                                                      |                  | (3014,06,04,628)                      | (3046,93,19,766)                      |
| 7                                                         | Vehicles                                                             | 10.700           | 63,40,194                             | 53,86,387                             |
|                                                           |                                                                      |                  | (53,86,387)                           | (53,86,387)                           |
| 8                                                         | Furniture & Fixtures                                                 | 10.800           | 7,17,36,541                           | 8,43,58,058                           |
|                                                           |                                                                      |                  | (8,43,58,058)                         | (8,93,06,392)                         |
| 9                                                         | Office Equipment                                                     | 10.900           | 42,81,14,080                          | 46,53,36,237                          |
|                                                           |                                                                      |                  | (46,53,36,237)                        | (48,02,50,762)                        |
|                                                           |                                                                      |                  |                                       |                                       |
|                                                           | Sub Total                                                            |                  | 8659,75,31,289                        | 8777,53,24,364                        |
|                                                           |                                                                      |                  | (8777,53,24,364)                      | (11945,73,73,229)                     |
|                                                           |                                                                      |                  |                                       |                                       |
|                                                           |                                                                      |                  |                                       |                                       |
| 10                                                        | Capital Expenditure Resulting in an asset not belonging to the Board | 11.100           |                                       |                                       |
|                                                           |                                                                      |                  | 40,392                                | 78,289                                |
|                                                           |                                                                      |                  | -(78,289)                             | (553,328)                             |
|                                                           |                                                                      |                  |                                       |                                       |
| TOTAL                                                     |                                                                      |                  | 8659,75,71,681                        | 8777,54,02,653                        |
|                                                           |                                                                      |                  | (8777,54,02,653)                      | (11945,68,19,901)                     |
| Note : Figures shown in brackets relates to previous year |                                                                      |                  |                                       |                                       |

| TAMIL NADU TRANSMISSION CORPORATION LIMITED |                                                        |                  |                       |                           |
|---------------------------------------------|--------------------------------------------------------|------------------|-----------------------|---------------------------|
| CAPITAL EXPENDITURE IN PROGRESS             |                                                        |                  |                       | SCHEDULE - 7              |
| Sl. No.                                     | Particulars                                            | Account Code     | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                                           | Capital work in progress                               | 14&18            | 2171,58,45,731        | 1524,14,08,489            |
| 2                                           | Contract in progress                                   | 15.1             |                       |                           |
|                                             | <b>SUB-TOTAL</b>                                       |                  | <b>2171,58,45,731</b> | <b>1524,14,08,489</b>     |
| 3                                           | Revenue Expenses pending allocation over capital works | 15.2             | 422,75,76,472         | 318,79,88,946             |
|                                             |                                                        |                  |                       |                           |
| 4                                           | Provision for completed work                           | 15.5             | 2,19,77,154           | 2,19,53,545               |
| 5                                           | Construction facilities                                | 15.6             | 9,76,608              | 9,76,608                  |
|                                             | <b>Assets at construction stage (1 to 5)</b>           |                  | <b>2596,63,75,965</b> | <b>1845,23,27,588</b>     |
| 6                                           | Advances for suppliers/Contractors (Capital)           | 25.100 to 25.900 | 115,67,01,426         | 103,30,24,917             |
|                                             | <b>TOTAL</b>                                           | 25.9             |                       |                           |
|                                             |                                                        |                  | <b>2712,30,77,391</b> | <b>1948,53,52,505</b>     |

| ASSETS NOT IN USE                              |                                                    |                                                     |         |                                                    |              |                                                 |                                     |                                      |                                           | SCHEDULE 8 |  |  |  |  |  |
|------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|---------|----------------------------------------------------|--------------|-------------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------------|------------|--|--|--|--|--|
| Balance in the beginning of the year 1.11.2010 | Additions during the year 01.11.2010 to 31.03.2011 | Deductions during the year 01.11.2010 to 31.03.2011 | Sl. No. | Asset Group                                        | Account Code | Balance in the beginning of the year 31.03.2011 | Additions during the year 2011-2012 | Deductions during the year 2011-2012 | Balance at the end of the year 31.03.2012 |            |  |  |  |  |  |
| Rs.                                            | Rs.                                                | Rs.                                                 |         |                                                    | Rs.          | Rs.                                             | Rs.                                 | Rs.                                  | Rs.                                       |            |  |  |  |  |  |
|                                                |                                                    |                                                     | 1       | Written down value of the obsolete scrapped Assets | 16.100       | 0                                               | 2,23,824                            | 2,14,107                             | 9,717                                     |            |  |  |  |  |  |
| 0                                              | 4,08,791                                           | 4,08,791                                            |         | TOTAL                                              |              |                                                 | 2,23,824                            | 2,14,107                             | 9,717                                     |            |  |  |  |  |  |

| DEFERRED COST                                  |                                                                 |                                                                           |         |                                                                            |              |                                                 |                                         |                                                   |                                           | SCHEDULE 9 |  |  |  |  |  |
|------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------|---------|----------------------------------------------------------------------------|--------------|-------------------------------------------------|-----------------------------------------|---------------------------------------------------|-------------------------------------------|------------|--|--|--|--|--|
| Balance in the beginning of the year 1.11.2010 | Cost deferred during the previous year 01.11.2010 to 31.03.2011 | Cost charged to Revenue during the previous year 01.11.2010 to 31.03.2011 | Sl. No. | Particulars                                                                | Account Code | Balance in the beginning of the year 31.03.2011 | Cost deferred during the year 2011-2012 | Cost Charged to Revenue during the year 2011-2012 | Balance at the end of the year 31.03.2012 |            |  |  |  |  |  |
| Rs.                                            | Rs.                                                             | Rs.                                                                       |         |                                                                            |              | Rs.                                             | Rs.                                     | Rs.                                               | Rs.                                       |            |  |  |  |  |  |
|                                                |                                                                 |                                                                           | 1       | Deferred Revenue Expr Compensation for Premature take over of licensee     | 17.200       |                                                 |                                         |                                                   |                                           |            |  |  |  |  |  |
|                                                |                                                                 |                                                                           | 2       | Total Deferred Revenue Expr                                                | 17.221       |                                                 |                                         |                                                   |                                           |            |  |  |  |  |  |
|                                                |                                                                 |                                                                           | 3       | Expenditure on survey / feasibility studies of projects not yet sanctioned | 17.300       | 0                                               |                                         |                                                   | 0                                         |            |  |  |  |  |  |
| 0                                              |                                                                 |                                                                           |         | TOTAL                                                                      |              | 0                                               | 0                                       | 0                                                 | 0                                         |            |  |  |  |  |  |

| INVESTMENTS                                    |                                                         |                                                          |         |                                        | SCHEDULE 10  |                                                 |                                     |                                      |                                           |
|------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|---------|----------------------------------------|--------------|-------------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------------|
| Balance in the beginning of the year 1.11.2010 | Further investment during pre-year 01.11.10 to 31.03.11 | Investment realised during pre-year 01.11.10 to 31.03.11 | Sl. No. | Investments                            | Account Code | Balance in the beginning of the year 31.03.2011 | Additions during the year 2011-2012 | Deductions during the year 2011-2012 | Balance at the end of the year 31.03.2012 |
| Rs.                                            | Rs.                                                     | Rs.                                                      |         |                                        | Rs.          | Rs.                                             | Rs.                                 | Rs.                                  | Rs.                                       |
|                                                |                                                         |                                                          | 1       | Investments against fund               | 20.1         | 0                                               | -                                   | -                                    | 0                                         |
| 0                                              | 0                                                       | 0                                                        |         | <b>SUB-TOTAL</b>                       |              | 0                                               | -                                   | -                                    | 0                                         |
|                                                |                                                         |                                                          | 2       | Investment other than fund invest.     | 20.2         | 0                                               | 0                                   | 0                                    | 0                                         |
| 0                                              | 0                                                       | 0                                                        |         | <b>SUB-TOTAL</b>                       |              | 0                                               | 0                                   | 0                                    | 0                                         |
|                                                |                                                         |                                                          | 3       | Investment in Subsidiaries             | 20.3         | -                                               | -                                   | -                                    | -                                         |
| -                                              | -                                                       | -                                                        |         | <b>SUB-TOTAL</b>                       |              | -                                               | -                                   | -                                    | -                                         |
|                                                |                                                         |                                                          | 4       | Investments Partnership joint ventures | 20.4         | 0                                               |                                     |                                      | 0                                         |
| 0                                              | 0                                                       | 0                                                        |         | <b>SUB-TOTAL</b>                       |              | 0                                               | 0                                   | 0                                    | 0                                         |
| 0                                              | 0                                                       | 0                                                        |         | <b>GRAND TOTAL</b>                     |              | 0                                               | 0                                   | 0                                    | 0                                         |

| TOTAL CURRENT ASSETS |                                           |             | SCHEDULE - 11         |                           |
|----------------------|-------------------------------------------|-------------|-----------------------|---------------------------|
| Sl. No.              | Particulars                               | Shedule No. | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                    | Stocks                                    | 11(a)       | 367,53,30,820         | 463,78,02,686             |
| 2                    | Receivables against transmission of power | 11(b)       | 2130,61,51,979        | 508,73,43,094             |
| 3                    | Cash and Bank Balances                    | 11(c)       | 46,45,04,573          | 17,48,86,953              |
| 4                    | Loans and Advances                        | 11(d)       | 9,34,31,666           | 8,29,63,916               |
| 5                    | Sundry Receivables                        | 11(e)       | 2960,39,65,359        | 1155,85,65,530            |
|                      | <b>TOTAL</b>                              |             | <b>5514,33,84,397</b> | <b>2154,15,62,179</b>     |
| 6                    | Inter Unit Balance                        |             | 13,29,92,571          | 40,40,35,771              |
|                      | <b>TOTAL</b>                              |             | <b>5527,63,76,968</b> | <b>2194,55,97,950</b>     |

| STORES AND SPARES |                                                   |                | SCHEDULE - 11(a)      |                           |
|-------------------|---------------------------------------------------|----------------|-----------------------|---------------------------|
| Sl. No.           | Particulars                                       | Account Code   | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                 | Stock of materials at construction stores         | 22.60 & 22. 61 | 161,33,10,056         | 253,44,30,730             |
| 2                 | Stock of Materials at other stores                | 22.62 & 22. 63 | -5,911,320            | 2,86,02,038               |
| 3                 | stores                                            | 22.63          |                       |                           |
| 4                 | Materials at site                                 | 22.64 & 22.65  |                       | 8,400                     |
| 5                 | Materials pending Inspection                      | 22.66 & 22.67  | -14,220,248           | 2,04,51,466               |
| 6                 | Materials in Transit                              | 22.68 & 22.69  |                       |                           |
| 7                 | Other Materials accounts                          | 22.7           | 204,37,42,575         | 205,42,88,038             |
| 8                 | Fuel Stock Excess/shortages pending Investigation | 21.2           |                       |                           |
| 9                 | Materials stock Excess/Shortages pending Invgn.   | 22.8           | 3,84,09,757           | 22,014                    |
|                   | <b>TOTAL</b>                                      |                | <b>367,53,30,820</b>  | <b>463,78,02,686</b>      |

| RECEIVABLES AGAINST TRANSMISSION OF POWER |                                                      |               | SCHEDULE - 11(b)      |                           |
|-------------------------------------------|------------------------------------------------------|---------------|-----------------------|---------------------------|
| Sl. No.                                   | Particulars                                          | Account Code  | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                                         | Sundry Debtors for Transmission of power             | 23.1          | 2130,61,51,979        | 508,73,43,094             |
| 2                                         | Sundry debtors for inter state Transmission of power | 23.6          |                       |                           |
| 3                                         | Sundry debtors for Electricity Tax                   | 23.2          |                       |                           |
| 4                                         | Provision for unbilled Revenue                       | 23.4          |                       |                           |
| 5                                         | Sundry Debtors for Transmission of Power to traders  | 23.121 to 129 |                       |                           |
| 6                                         | Sundry Debtors-Miscellaneous Receipts from consumers | 23.7          |                       |                           |
| 7                                         | Other Receivables                                    | 23.8          |                       |                           |
|                                           | <b>SUB-TOTAL</b>                                     |               | <b>2130,61,51,979</b> | <b>508,73,43,094</b>      |
| 8                                         | Less: Provision for doubtful dues from consumers     | 23.9          |                       |                           |
|                                           | <b>TOTAL</b>                                         |               | <b>2130,61,51,979</b> | <b>508,73,43,094</b>      |

| CASH AND BANK BALANCES |                          |              | SCHEDULE - 11(C)      |                           |
|------------------------|--------------------------|--------------|-----------------------|---------------------------|
| Sl. No.                | Particulars              | Account Code | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                      | Cash on hand             | 24.1         | 3,98,04,424           | 1,47,52,343               |
| 2                      | Cash Imprests with staff | 24.2         | 4,58,38,910           | -28,984,037               |
|                        | Balance with Banks:      |              |                       |                           |
| 3                      | Collection Account       | 24.3         | 9,88,40,530           | 5,28,24,941               |
| 4                      | Drawing Account          | 24.4         | 15,21,68,165          | 13,53,93,706              |
| 5                      | Cash in Transit          | 24.5& 24.6   | 12,78,52,544          | 9,00,000                  |
|                        | <b>TOTAL</b>             |              | <b>46,45,04,573</b>   | <b>17,48,86,953</b>       |

| LOANS AND ADVANCES |                                                |              | SCHEDULE - 11(d)      |                           |
|--------------------|------------------------------------------------|--------------|-----------------------|---------------------------|
| Sl. No.            | Particulars                                    | Account Code | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                  | Advance for O&M Supplies/Works                 | 26.1 to 26.7 | -206,468              | 3,51,291                  |
|                    | <b>Sub-Total (1 &amp; 2)</b>                   |              | <b>-206,468</b>       | <b>3,51,291</b>           |
| 2                  | Loans and Advances to Staff                    | 27.1&27.2    | 9,17,88,868           | 8,12,79,774               |
| 3                  | Advance Income Tax/deduction at source         | 27.4         | 18,49,266             | 13,32,851                 |
|                    | <b>Sub-Total (3 to 7)</b>                      |              | <b>9,36,38,134</b>    | <b>8,26,12,625</b>        |
| 4                  | Less Provision for doubtful Loans and Advances | 27.9         |                       |                           |
|                    | <b>TOTAL (1 to 7 (-) 8)</b>                    |              | <b>9,34,31,666</b>    | <b>8,29,63,916</b>        |

| SUNDRY RECEIVABLES |                                                |                 | SCHEDULE - 11(e)      |                           |
|--------------------|------------------------------------------------|-----------------|-----------------------|---------------------------|
| Sl. No.            | Particulars                                    | Account Code    | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                  | Sundry Debtors/Trading account                 | 28.100          | 6,44,61,076           | 21,34,349                 |
| 2                  | Income accrued and due on Investments          | 28.210 to 240   |                       |                           |
| 3                  | Other income accrued and due                   | 28.290          |                       |                           |
| 4                  | Income accrued but not due                     | 28.300          |                       |                           |
| 5                  | Amount recoverable from Employees/Ex-Employees | 28.400          | 9,02,374              | 5,45,732                  |
| 6                  | Other claims and Receivables and Deposits      | 28.700 - 28.899 | 2953,92,81,020        | 1155,58,43,500            |
|                    |                                                | 28.900          | -679,111              | 41,949                    |
|                    | <b>TOTAL</b>                                   |                 | <b>2960,39,65,359</b> | <b>1155,85,65,530</b>     |

| SECURITY DEPOSIT FROM CONSUMERS |                                                       |              | SCHEDULE - 12         |                           |
|---------------------------------|-------------------------------------------------------|--------------|-----------------------|---------------------------|
| Sl. No.                         | Particulars                                           | Account Code | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                               | Security Deposits from Consumers (in cash)            | 48.1         |                       |                           |
| 2                               | Security Deposits from Consumers (other than in cash) | 48.2         |                       |                           |
| 3                               | Interest Payable on Consumer's Deposits               | 48.3         |                       |                           |
|                                 | <b>TOTAL</b>                                          |              |                       |                           |

| OTHER CURRENT LIABILITIES |                                                                                                              |                        | SCHEDULE - 13         |                           |
|---------------------------|--------------------------------------------------------------------------------------------------------------|------------------------|-----------------------|---------------------------|
| Sl. No.                   | Particulars                                                                                                  | Account Code           | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                         | Liability for Capital Supplies/works                                                                         | 42.100                 | 315,28,28,324         | 250,54,31,312             |
| 2                         | Liability for O&M supplies/works                                                                             | 43.1,43.2 & 300        | 1,72,29,522           | 1,30,10,692               |
| 3                         | Staff related liabilities and provisions                                                                     | 44.1 to 44.4           | 60,78,43,722          | 57,33,33,157              |
| 4                         | Deposits & Retention from Suppliers and Contractors<br>(net of Deposits recd.in the form of Investment etc.) | 46.100 & 200<br>28.930 | 227,78,87,216         | 184,58,54,033             |
| 5                         | Electricity duty and other levies payable to Government                                                      | 46.300                 | 1,93,888              | 2,53,548                  |
| 6                         | Liability for Expenses                                                                                       | 46.400                 | 4,43,73,991           | 5,57,55,350               |
| 7                         | Amount owing to Licensees                                                                                    | 46.600                 | 6756,64,05,048        | 1144,96,67,182            |
| 8                         | Accrued/unclaimed Amounts relating to Borrowing                                                              | 46.700                 | -171,259,408          | 48,18,506                 |
| 9                         | Provision for Income Tax                                                                                     | 46.800                 |                       |                           |
| 10                        | Other Liabilities and provisions                                                                             | 46.9&991               | 1,89,54,138           | 0                         |
|                           | <b>SUB-TOTAL</b>                                                                                             |                        | <b>7351,44,56,441</b> | <b>1644,81,23,780</b>     |
| 11                        | Deposits for Electrification/Service connection etc.                                                         | 47.000                 | 82,08,33,298          | 57,06,52,017              |
|                           | <b>TOTAL</b>                                                                                                 |                        | <b>7433,52,89,739</b> | <b>1701,87,75,797</b>     |

| SUBSIDY RECEIVABLE FROM GOVERNMENT |                                  |              | SCHEDULE - 14         |                           |
|------------------------------------|----------------------------------|--------------|-----------------------|---------------------------|
| Sl. No.                            | Particulars                      | Account Code | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                                  | Capital Subsidy/Grant Receivable | 28.61        |                       |                           |
| 2                                  | Revenue Subsidy/Grant Receivable | 28.62        |                       |                           |
|                                    | <b>TOTAL</b>                     |              |                       | 0                         |

| BORROWING FOR WORKING CAPITAL |                             |                 | SCHEDULE - 15         |                           |
|-------------------------------|-----------------------------|-----------------|-----------------------|---------------------------|
| Sl. No.                       | Particulars                 | Account Code    | This Year 2011-12 Rs. | Previous Year 2010-11 Rs. |
| 1                             | Cash Credits/Bank Overdraft | 50.100 & 50.200 | 102,96,39,402         | 102,96,39,402             |
| 2                             | Short Term Loan             | 50.300          | 524,45,80,246         | 524,45,80,246             |
|                               | <b>TOTAL</b>                |                 | <b>627,42,19,648</b>  | <b>627,42,19,648</b>      |

| REVENUE FROM TRANSMISSION OF POWER |                                            |              |                       | SCHEDULE - 16                          |
|------------------------------------|--------------------------------------------|--------------|-----------------------|----------------------------------------|
| Sl. No.                            | Particulars                                | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1                                  | Wheeling charges recoveries                | 61.800       | 1707,05,97,661        | 523,73,77,234                          |
| 2                                  | Misc.charges from consumers (Testing Fees) | 61.900       |                       | 58,92,588                              |
|                                    | <b>GRAND TOTAL</b>                         |              | <b>1707,05,97,661</b> | <b>524,32,69,822</b>                   |

| OTHER INCOME |                                                     |                  |                       | SCHEDULE - 17                          |
|--------------|-----------------------------------------------------|------------------|-----------------------|----------------------------------------|
| Sl. No.      | Particulars                                         | Account Code     | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1            | Interest on staff loans and advances                | 62.210 to 62.219 | 70,80,821             | 29,62,086                              |
| 2            | Income from Investments                             | 62.220 to 62.239 |                       |                                        |
| 3            | Delayed Payment Surcharges collected from consumers | 62.250           |                       |                                        |
| 4            | Interest on Advances to Suppliers/Contractors       | 62.260           | 2,74,90,523           | 51,87,849                              |
| 5            | Interest from Banks (Other than Fixed Deposit)      | 62.270           |                       |                                        |
| 6            | Income from Trading                                 | 62.300           | 6,44,63,921           | 1,15,83,339                            |
| 7            | Income from Staff Welfare activities                | 62.600           | 1,70,786              | 68,042                                 |
| 8            | Miscellaneous Receipts                              | 62.900           | 27,87,83,303          | 8,07,73,465                            |
|              | <b>Total</b>                                        |                  | <b>37,79,89,354</b>   | <b>10,05,74,781</b>                    |

| REPAIRS AND MAINTENANCE |                               |              |                       | SCHEDULE - 18                          |
|-------------------------|-------------------------------|--------------|-----------------------|----------------------------------------|
| Sl. No.                 | Particulars                   | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
|                         | Repairs and Maintenance to:   |              |                       |                                        |
| 1                       | Plant & Machinery             | 74.110       | 3,64,47,603           | 1,97,68,409                            |
| 2                       | Buildings                     | 74.210       | 8,36,908              | 2,89,960                               |
| 3                       | Civil Works                   | 74.310       | 29,17,964             | 7,38,604                               |
| 4                       | Hydraulic Works               | 74.410       |                       |                                        |
| 5                       | Lines, Cables & Networks etc. | 74.510       | 3,42,47,967           | 1,22,47,710                            |
| 6                       | Vehicles                      | 74.600       | 37,40,997             | 22,91,864                              |
| 7                       | Furniture & Fixtures          | 74.701       | 18,245                | 4,760                                  |
| 8                       | Office Equipments             | 74.801       | 16,25,383             | 10,56,566                              |
|                         | <b>TOTAL</b>                  |              | <b>7,98,35,067</b>    | <b>3,63,97,873</b>                     |

| EMPLOYEE COST |                                              |              |                       | SCHEDULE - 19                          |
|---------------|----------------------------------------------|--------------|-----------------------|----------------------------------------|
| Sl. No.       | Particulars                                  | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1             | Salaries                                     | 75.100       | 182,92,06,594         | 80,41,99,937                           |
| 2             | Overtime                                     | 75.200       | 5,37,13,073           | 2,45,73,889                            |
| 3             | Dearness Allowance                           | 75.300       | 103,71,58,438         | 37,44,19,864                           |
| 4             | Other Allowance                              | 75.400       | 14,87,56,325          | 6,05,73,780                            |
| 5             | Bonus                                        | 75.500       | 5,47,22,053           | 2,83,21,773                            |
|               | <b>Sub-Total (1 to 5)</b>                    |              | <b>312,35,56,483</b>  | <b>129,20,89,243</b>                   |
| 6             | Medical Expenses Reimbursement               | 75.611       | 36,92,081             | 17,06,273                              |
| 7             | Leave Travel Assistance                      | 75.612       | 5,11,607              | 9,25,869                               |
| 8             | Earned Leave Encashment                      | 75.617       | 19,85,89,933          | 7,16,00,217                            |
| 9             | Payment Under Workmen's Compensation Act     | 75.629       |                       |                                        |
|               | <b>Sub-Total: Other Staff Costs (6 to 9)</b> |              | <b>20,27,93,621</b>   | <b>7,42,32,359</b>                     |
| 10            | Staff Welfare Expenses                       | 75.700       | 19,68,973             | 3,73,182                               |
| 11            | Terminal Benefits                            | 75.800       | 22,06,34,506          | 9,79,46,388                            |
| 12            | Board's Contribution to CPS                  | 75.870       | 5,91,08,512           | 1,44,19,476                            |
| 13            | Other staff costs                            | 75.600-610   |                       |                                        |
|               | <b>SUB TOTAL (10 to 12)</b>                  |              | <b>28,17,11,991</b>   | <b>11,27,39,046</b>                    |
|               | <b>Grand Total</b>                           |              | <b>360,80,62,095</b>  | <b>147,90,60,648</b>                   |

| ADMINISTRATION AND GENERAL EXPENSES |                                                    |                  |                       | SCHEDULE - 20                          |
|-------------------------------------|----------------------------------------------------|------------------|-----------------------|----------------------------------------|
| Sl. No.                             | Particulars                                        | Account Code     | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1                                   | Rent/Rates and Taxes                               | 76.101,103       | 43,53,958             | 52,56,637                              |
| 2                                   | Insurance                                          | 76.104,106,107   | 3,68,433              | 1,04,550                               |
| 3                                   | Telephone/Postage/Telegram/Telex charges           | 76.111 to 119    | 88,97,787             | 42,96,125                              |
| 4                                   | Legal Charges                                      | 76.120,121       | 12,97,429             | 3,27,503                               |
| 5                                   | Audit Fees                                         | 76.122           | 3,50,000              | 3,53,200                               |
| 6                                   | Consultancy Charges                                | 76.123           | 9,81,762              | 5,00,713                               |
| 7                                   | Technical Fees                                     | 76.124           | 0                     | 29,520                                 |
| 8                                   | Other Professional Charges                         | 76.125,126 & 129 | 2,62,509              | 80,496                                 |
| 9                                   | Conveyance & Travel                                | 76.131 to 140    | 8,74,38,133           | 3,79,18,391                            |
|                                     | <b>Sub-Total</b>                                   |                  | <b>10,39,50,011</b>   | <b>4,88,67,135</b>                     |
|                                     | OTHER EXPENSES                                     |                  |                       |                                        |
|                                     | Fees & Subscription                                | 76.151           | 21,75,581             | 9,033                                  |
| 1                                   | Books & Periodicals                                | 76.152           | 67,208                | 37,121                                 |
| 2                                   | Printing & Stationery                              | 76.153           | 61,39,988             | 14,08,250                              |
| 3                                   | Training Expenses                                  | 76.154           | 20,12,832             | 8,77,323                               |
| 4                                   | Advertisement Expenses                             | 76.155           | 8,31,642              | 3,16,123                               |
| 5                                   | Subscriptions/Contributions to Books & Periodicals | 76.157           |                       |                                        |
| 6                                   | Electricity Charges                                | 76.158           | 36,19,921             | 1,73,667                               |
| 7                                   | Water Charges                                      | 76.160           | 23,37,776             | 11,61,712                              |
| 8                                   | Entertainment/Recreations for employees            | 76.162           | 3,77,393              | 6,566                                  |
| 9                                   | Watch and Ward Expenses.                           | 76.163           | 3,15,01,872           | 1,13,83,725                            |
| 10                                  | Petty Office Maintenance Expenses.                 | 76.164           | 69,69,033             | 32,24,815                              |
| 11                                  | Miscellaneous Expenses                             | 76.190           | 58,68,935             | 59,31,136                              |
| 12                                  | <b>Sub-Total</b>                                   |                  | <b>6,19,02,181</b>    | <b>2,45,29,471</b>                     |
| 13                                  | Freight                                            | 76.210 to 240    | 92,23,953             | 57,95,884                              |
| 14                                  | Other Purchase related Expenses.                   | 76.270 to 281    | 14,38,927             | 8,35,751                               |
| 15                                  | Honorarium (Food Allow.)                           | 76.194           |                       | 72,658                                 |
| 16                                  | Registrar of Companies                             | 76.300 to 899    | 1,96,56,500           | 8,500                                  |
|                                     | <b>Sub-Total</b>                                   |                  | <b>3,03,19,380</b>    | <b>67,12,793</b>                       |
|                                     | <b>GRAND TOTAL</b>                                 |                  | <b>19,61,71,572</b>   | <b>8,01,09,399</b>                     |

| OTHER DEBITS |                                                 |              | SCHEDULE - 21         |                                        |
|--------------|-------------------------------------------------|--------------|-----------------------|----------------------------------------|
| Sl. No.      | Particulars                                     | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1            | Material Cost Variance                          | 79.100       |                       |                                        |
| 2            | Research & Development Expenses                 | 79.200       |                       |                                        |
| 3            | Bad and Doubtful Debts Written off/provided for | 79.400       |                       |                                        |
| 4            | Miscellaneous losses and write off              | 79.500       | 14,67,015             | 36,33,588                              |
| 5            | Intangible asset written off                    | 79710        |                       |                                        |
|              | <b>TOTAL</b>                                    |              | <b>14,67,015</b>      | <b>36,33,588</b>                       |

| OTHER EXPENSES CAPITALISED |                                                  |              | SCHEDULE - 22         |                                        |
|----------------------------|--------------------------------------------------|--------------|-----------------------|----------------------------------------|
| Sl. No.                    | Particulars                                      | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1                          | Repair and Maintenance Capitalised               | 74.900       | 1,33,90,001           | 1,88,37,065                            |
| 2                          | Employee cost Capitalised                        | 75.900       | 69,32,79,745          | 31,89,86,686                           |
| 3                          | Fabrication charges added to the stock           | 76.282       | 14,000                | 8,400                                  |
| 4                          | Administration and General Expenses Capitalised  | 76.900       | 13,60,51,471          | 4,94,95,948                            |
| 5                          | Depreciation and other related costs capitalised | 77.900       | 67,94,946             | 29,66,311                              |
| 6                          | Other debits capitalised                         | 79.900       | 69,73,419             | 34,05,733                              |
|                            | <b>TOTAL</b>                                     |              | <b>85,65,03,582</b>   | <b>39,37,00,143</b>                    |

| DEPRECIATION AND RELATED DEBITS (NET) |                                                     |                  | SCHEDULE - 23         |                                        |
|---------------------------------------|-----------------------------------------------------|------------------|-----------------------|----------------------------------------|
| Sl. No.                               | Particulars                                         | Account Code     | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1                                     | Depreciation                                        | 77.100,200       | 290,91,03,643         | 121,23,24,294                          |
| 2                                     | Asset decommissioning costs                         | 77.500           |                       |                                        |
| 3                                     | Small and low value items                           | 77.600           |                       |                                        |
| 4                                     | <b>Sub-Total (1 to 3)</b>                           |                  | <b>290,91,03,643</b>  | <b>121,23,24,294</b>                   |
| 5                                     | Written down value of assets scrapped               | 77.710           |                       |                                        |
| 6                                     | Write off of deficits of fixed assets observed upon | 77.720           |                       |                                        |
|                                       | Physical verification                               |                  |                       |                                        |
| 7                                     | Loss on sale of Fixed assets                        | 77.730           |                       |                                        |
| 8                                     | Others                                              | 77.300 to 77.499 |                       |                                        |
| 9                                     | <b>Sub-Total (5 to 8)</b>                           |                  | <b>0</b>              | <b>0</b>                               |
| 10                                    | <b>Total Debits (4+9)</b>                           |                  | <b>290,91,03,643</b>  | <b>121,23,24,294</b>                   |
| 11                                    | LESS: Gain on sale of Assets.                       | 62.400           |                       |                                        |
|                                       | <b>TOTAL</b>                                        |                  | <b>290,91,03,643</b>  | <b>121,23,24,294</b>                   |

| INTEREST AND FINANCE CHARGES |                                                  |                  | SCHEDULE - 24         |                                        |
|------------------------------|--------------------------------------------------|------------------|-----------------------|----------------------------------------|
| Sl. No.                      | Particulars                                      | Account Code     | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1                            | Interest on State Govt. Loan                     | 78.100           |                       |                                        |
| 2                            | Interest on bonds                                | 78.200           | 139,64,10,776         | 62,19,32,727                           |
| 3                            | Interest on Debentures                           | 78.300           |                       |                                        |
| 4                            | Interest on Foreign Currency Loans/credits       | 78.400           |                       |                                        |
| 5                            | Interest on other Loans/Deferred credits         | 78.500           | 1228,24,79,583        | 274,20,43,958                          |
| 6                            | Penal Interest in respect on Capital liabilities | 78.591 to 78.599 |                       |                                        |
| 7                            | Interest on Security deposit from consumers      | 78.600           |                       |                                        |
| 8                            | Interest on MCD                                  | 78.610           |                       |                                        |
|                              | <b>TOTAL INT.ON CAPITAL LIABILITIES</b>          |                  | <b>1367,88,90,359</b> | <b>336,39,76,685</b>                   |
| 9                            | Interest on borrowings for Working Capital       | 78.700           |                       |                                        |
|                              | <b>OTHER INT.&amp; FINANCE CHARGES</b>           |                  |                       |                                        |
| 10                           | Other Interest and Finance Charges               | 78.820 to 839    |                       |                                        |
| 11                           | Interest on Hydro Balancing Fund                 | 78.841 to 845    |                       |                                        |
| 12                           | Interest on fixed deposits                       | 78.850           |                       |                                        |
| 13                           | Interest on Contributory Provident Fund          | 78.851           |                       |                                        |
| 12                           | Interest on General provident Fund               | 78.852           | 15,41,81,229          | 5,84,88,452                            |
| 13                           | Other Interest                                   | 78.853 to 860    | 2,51,38,541           | 16,88,310                              |
| 14                           | Cost of raising finance                          | 78.861 to 873    | 6,44,262              |                                        |
| 16                           | Discount on issue of Bonds/Debentures            | 78.873           |                       |                                        |
| 17                           | Premium on redemption of Bonds/Debentures        | 78.871           |                       |                                        |
| 15                           | Other Bank Charges/Penal int for E.tax           | 78.874 to 883    | 4,86,416              | 3,56,078                               |
| 16                           | Guarantee commission to State Government         | 78.884 to 899    |                       |                                        |
|                              | <b>TOTAL</b>                                     |                  | <b>1385,93,40,807</b> | <b>342,45,09,525</b>                   |

| INTEREST AND FINANCE CHARGES CAPITALIZED |                                    |              | SCHEDULE - 25         |                                        |
|------------------------------------------|------------------------------------|--------------|-----------------------|----------------------------------------|
| Sl. No.                                  | Particulars                        | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1                                        | Normal Interest Capitalised        | 78.910       | 2,22,27,158           | 7,97,449                               |
| 2                                        | Interest during Construction stage | 78.900       | 238,72,78,749         | 49,76,93,132                           |
|                                          | <b>TOTAL</b>                       |              | <b>240,95,05,907</b>  | <b>49,84,90,581</b>                    |

| NET PRIOR PERIOD CREDITS / CHARGES |                                        |              | SCHEDULE - 26         |                                        |
|------------------------------------|----------------------------------------|--------------|-----------------------|----------------------------------------|
| Sl. No.                            | Particulars                            | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |
| 1                                  | Income relating to previous year       |              |                       |                                        |
| a.                                 | Receipts from consumers                | 65.200       | 2,78,875              |                                        |
| b.                                 | Interest Income                        | 65.400       | 1,06,81,350           |                                        |
| c.                                 | Excess provision for I.T.              | 65.500       | 14,78,270             |                                        |
| d.                                 | Excess provision for Depreciation      | 65.600       | 98,93,031             |                                        |
| e.                                 | Excess provn. for Int.& Fin.charges    | 65.700       | 1,98,64,226           |                                        |
| f.                                 | Other excess provision                 | 65.800       | 76,28,278             |                                        |
| g.                                 | Other income                           | 65.900       | 2,27,43,272           |                                        |
|                                    | <b>Total</b>                           |              | <b>7,25,67,302</b>    |                                        |
| 2                                  | Prior Period Expenses/losses           |              |                       |                                        |
| a.                                 | Operating expenses                     | 83.300       |                       |                                        |
| b.                                 | Material related expenses              | 83.400       |                       |                                        |
| c.                                 | Employees cost                         | 83.500       | 9,48,95,118           |                                        |
| d.                                 | Depreciation under provided            | 83.600       | 19,86,446             |                                        |
| e.                                 | Interest & Finance charges             | 83.700       | 4,48,577              |                                        |
| f.                                 | Other charges                          | 83.800       | 1,26,70,329           |                                        |
|                                    | <b>Total</b>                           |              | <b>11,00,00,470</b>   |                                        |
| 3                                  | Net Prior period credits (A/C Code 65) |              | 0                     |                                        |
|                                    | Net Prior period charges (A/C Code 83) |              | 3,74,33,168           |                                        |

| <b>WORKING OF INTEREST DURING CONSTRUCTION</b>                                                |                             |                      |              |
|-----------------------------------------------------------------------------------------------|-----------------------------|----------------------|--------------|
|                                                                                               | <b>ACS</b>                  |                      | <b>BNA</b>   |
| <b>Particulars based on</b>                                                                   | <b>(Rupees in thousand)</b> |                      |              |
| 1.(a) and (b)                                                                                 |                             |                      |              |
| Net Assets shown in Balance Sheet                                                             | 13,49,80,292                |                      |              |
| Asset at Constr. Stage as per schedule 21<br>(prior to charging IDC)                          | 2,47,35,799                 | 2,47,35,799          | 11,02,44,493 |
| 2. Reducing of ACS due to excess }<br>Liab. over stores & Payment. }                          |                             |                      |              |
| Liab. for Cap. Supply and Works schedule 28 item 3 <b>A</b>                                   | 31,52,828                   |                      |              |
| Current Assets Cap. Stores schedule 26 a item 4 <b>1</b>                                      | 16,13,310                   |                      |              |
| Adv. for Cap. Supply schedule 21 item 6 <b>2</b>                                              | 11,56,701                   |                      |              |
| <b>B(1+2)</b>                                                                                 | 27,70,011                   |                      |              |
| As 'B' is more than 'A' no reduction is necessary                                             |                             |                      |              |
| 3. BNA includes current Assets/ Liabilities<br>Hence no further adjustment                    |                             |                      |              |
| 4. Classification of Funds as per Balance Sheet                                               |                             |                      |              |
| Borrowing for Working Capital schedule 30                                                     | 62,74,220                   |                      |              |
| Payment due on Capital Liabilities schedule 31                                                | 62,98,17                    |                      |              |
| Loan having int. holiday and other int. free Liab. sch. 34                                    | 0                           |                      |              |
| <b>Reserve Funds</b>                                                                          |                             |                      |              |
| Reserve Fund Sch. 35                                                                          | 28,47,798                   |                      |              |
| Reserves                                                                                      | 2,98,481                    |                      |              |
| Int. bearing Cap. Liab. Sch. 32                                                               | 10,15,61,958                |                      |              |
| Consumer contribution & grants towards cost of capital assets                                 | 27,914                      |                      |              |
| Equity sch. 33                                                                                | 2,33,40,104                 |                      |              |
| <b>Total</b>                                                                                  | 13,49,80,292                |                      |              |
| <b>TALLY WITH TOTAL ASSET SIDE</b>                                                            | <b>13,49,80,292</b>         |                      |              |
| Adjustment to ACS & BNA based on para 5                                                       | 13,49,80,292                | 2,47,35,799          | 11,02,44,493 |
| 5. a. Deducting borrowing for working capital<br>and payment due on Cap. liabilities from BNA | 62,74,220                   |                      | 62,74,220    |
| <b>SUBTOTAL (5-5a) I</b>                                                                      | 12,87,06,072                | 2,47,35,799          | 10,39,70,273 |
| 5.b. Payments due on Capital Liabilities                                                      | 0                           | 0                    | 0            |
| 5.c. Int. free Loans, int. holiday Funds }<br>spread over ACS & BNA }                         | 0                           | 0                    | 0            |
| <b>SubTotal I-5.c II</b>                                                                      | 12,87,06,072                | 2,47,35,799          | 10,39,70,273 |
| 5.d. Investment against funds                                                                 | 0                           | 0                    | 0            |
| 5.e. Determination of own Funds:                                                              |                             |                      |              |
| 1 Reserves fund over Investment                                                               | 28,47,798                   |                      |              |
| 2 Reserves                                                                                    | 2,98,481                    |                      |              |
| 3 Equity Share Capital                                                                        | 2,33,40,104                 |                      |              |
| 4 Consumer contribution & grants towards cost of capital assets                               | 27,914                      |                      |              |
| <b>SUBTOTAL (5e(1+2+3+4)) III</b>                                                             | 2,65,14,297                 | 48,58,875            | 2,04,22,972  |
| <b>Net Total II-III</b>                                                                       | 10,21,91,775                | 1,98,76,924          | 8,35,47,302  |
| <b>6. BNA AND ACS MATCHED WITH INT. BEARING LIAB</b>                                          |                             |                      |              |
| 7. Averaging ACS & BNA on OB & CB.                                                            |                             | <b>ACS</b>           | <b>BNA</b>   |
| Balance at the beginning of the year                                                          | 10,93,67,285                | 1,72,60,054          | 9,21,07,231  |
| Balance at the closing of the year                                                            | 10,34,24,226                | 1,98,76,924          | 8,35,47,302  |
| <b>AVERAGE VALUE OF ACS &amp; BNA</b>                                                         | 10,63,95,755                | 1,85,68,489          | 8,78,27,266  |
| 8. Int. payable on Cap. Liab. as per Sch. 12                                                  | 1,36,78,890                 | 23,87,279            | 1,12,91,612  |
| <b>THEREFORE IDC TO BE CHARGED</b>                                                            | <b>Rs.</b>                  | <b>238,72,78,748</b> |              |

| TAMIL NADU TRANSMISSION CORPORATION LIMITED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                   |              |                             |                                              |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------|-----------------------------|----------------------------------------------|--|
| EXTRA ORDINARY ITEMS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                   |              | SCHEDULE - 28               |                                              |  |
| Extra-ordinary items are defined as "Those items which arise from events or transactions outside the ordinary activities of the Board and which are both materials and expected not to recur frequently or regularly". They do not include items, which though exceptional in terms of amount and occurrence (and which may therefore require separate disclosure) arise from the events or transactions within the ordinary activities of the Board. Similarly prior period items are not extra ordinary items merely because they relate to the prior year. |                                                                                                   |              |                             |                                              |  |
| Sl. No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Particulars                                                                                       | Account Code | This Year<br>2011-12<br>Rs. | Previous Year<br>01.11.10 to 31.03.11<br>Rs. |  |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Extra-ordinary credits (including subsidies against loss on account of flood, fire cyclone etc.,) | 63.200       |                             |                                              |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Total credits</b>                                                                              |              |                             |                                              |  |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Extra-ordinary debits (including subsidies against loss on account of flood, fire cyclone etc.,)  | 79.800       | 2,31,83,137                 |                                              |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>TOTAL DEBITS</b>                                                                               |              | 2,31,83,137                 |                                              |  |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Extra Ordinary items (Net)                                                                        |              | 2,31,83,137                 |                                              |  |

| TAMIL NADU TRANSMISSION CORPORATION LIMITED |                                             |              |                       |                                        |  |
|---------------------------------------------|---------------------------------------------|--------------|-----------------------|----------------------------------------|--|
| PROFIT AND LOSS APPROPRIATION ACCOUNT       |                                             |              |                       | SCHEDULE - 29                          |  |
| Sl. No.                                     | Particulars                                 | Account Code | This Year 2011-12 Rs. | Previous Year 01.11.10 to 31.03.11 Rs. |  |
| 1                                           | Opening Balance                             |              |                       |                                        |  |
| 2                                           | Profit/Loss of Current Year                 | 58.210       | 4031,85,45,580        | 4031,85,45,580                         |  |
| 3                                           | Credits transferred from General Reserve    |              | 0                     | 0                                      |  |
| 4                                           | Appropriations                              |              |                       |                                        |  |
|                                             | (i) Contribution to Reserve & Reserve Funds |              |                       |                                        |  |
|                                             | (ii) Contribution to Development Funds      |              |                       |                                        |  |
| 5                                           | Balance Carried forward                     |              | 4031,85,45,580        | 4031,85,45,580                         |  |

## **NOTES TO ACCOUNTS**

### **CORPORATE INFORMATION:**

Tamilnadu Transmission Corporation Limited is a Public Limited Company, domiciled in India and incorporated in June 2009 under the provisions of the Companies Act, 1956, and is headquartered in Chennai. The company is a subsidiary of TNEB Limited, which is a State Government Company. The company is emerged out of the scheme known as Tamil Nadu Electricity (Reorganisation and Reforms) Transfer Scheme notified by the Government of Tamilnadu, and dealing in transmission of power over the Tamilnadu state.

### **I. SIGNIFICANT ACCOUNTING POLICY**

#### **a. Basis of preparation (AS -1)**

Financial statements have been prepared under historical cost convention on a going concern and accrual basis, the financial statement have been prepared in compliance with Provision of Electricity Act 2003, Electricity (Supply Annual Accounts Rules 1985). The accounting policy have been consistently applied by the company, except for the change in the accounting policy discussed more fully below and are consistent with those used in the previous year.

#### **b. Use of Estimates**

The preparation of financial statement in conformity with the provision of Electricity Act 2003, Electricity (Supply Annual Accounts Rules 1985) that requires management to make an estimate and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the final statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### **c. Fixed Assets (AS -10)**

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost of fixed assets comprises of purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Own Constructed assets are capitalized at cost including an appropriate share of overheads. Borrowing cost related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or constructions were capitalized. Advances paid towards the acquisition of the assets outstanding at each balance sheet date and the cost of fixed assets not ready for the intended use before such date are disclosed as capital work in progress.

Assets constructed with the partnership between the company and the customer will be shown in the fixed assets and also in consumer's contribution towards cost of fixed assets in reserves/liabilities.

#### **d. Revenue Recognition – (AS -9)**

Revenue on transmission is recognized on accrual basis at the Transmission Tariff notified by Tamil Nadu Regulatory Commission from time to time.

Sales of products and services are recognised when significant risks and rewards of ownership of products are passed on to customers or service has been provided. In the case of large transformers, revenue is recognised on achievement of contractual mile

stone. Revenue recognition in excess of billing is reflected under other current assets as receivable. Net sales are stated at contractual realisable values net of excise duty, sales tax, and service tax, value added tax and trade discounts.

Revenue from long term contracts are recognised on the percentage of completion method, in proportion that the contract cost incurred for work performed up to the reporting date bear to the estimated total contract costs.

Full provision is made for any loss in the year in which it is first foreseen.

Liquidated damages / penalties are provided for as per the contract terms wherever there is delayed delivery attributable to the company.

Commission income is recognised as per contracts/ receipt of income.

Interests from advances to suppliers are recognised as and when they accrue.

#### **e. Depreciation (AS – 6)**

Depreciation on assets are those described below is provided on the straight line method at the rates and in the manner prescribed Regulation 24 Tamilnadu Electricity Regulatory Commission's (Terms and Conditions of Determination of Tariff) Tariff Regulations 2005.

Assets are depreciated at 90% of the cost of the asset and 10 % is retained as the residual value. Depreciation on additions to fixed assets is charged in the year subsequent to the year in which the asset is put to use.

Individual assets costing up to Rs.500/- are fully depreciated in the year in which they are put to use.

The following are the assets depreciated on the straight line basis at the rate mentioned below:-

| Sl No. | Type of Asset                                             | % of Depreciation |
|--------|-----------------------------------------------------------|-------------------|
| 1.     | <b>Land</b>                                               | Infinity          |
| 2.     | <b>Buildings</b>                                          |                   |
|        | Buildings containing Transmission Installations           | 1.80              |
|        | Office Buildings                                          | 1.80              |
|        | Residential Colony for Staff                              | 1.80              |
|        | Other Buildings                                           | 1.80              |
| 3      | <b>Hydraulic Works</b>                                    |                   |
|        | Plant & Pipe lines for water supply in residential colony | 1.80              |
|        | Drainage and sewage residential colony                    | 1.80              |
| 4      | <b>Other Civil Works</b>                                  |                   |
|        | Pucca Roads                                               | 1.80              |
|        | Kutcha Roads                                              | 1.80              |
| 5      | <b>Plant and Machinery</b>                                |                   |
|        | Transformers of 100KVA & above                            | 3.60              |
|        | Other Transformers                                        | 3.60              |
|        | Other Fixed Apparatus                                     | 3.60              |
|        | Switch Gear including cable connection                    | 3.60              |
|        | Batteries including charging equipments                   | 2.57              |
|        | Batteries                                                 | 18.00             |
|        | Lightning Arrestors Pole Type                             | 6.00              |

| SI No. | Type of Asset                                      | % of Depreciation |
|--------|----------------------------------------------------|-------------------|
| 6      | Lightning Arrestors Station Type                   | 3.60              |
|        | Communication Equipment Radio & HF Carrier System  | 6.00              |
|        | Static machine tools and equipment                 | 6.00              |
|        | Meter Testing Tools                                | 6.00              |
|        | Tools and Tackles                                  | 6.00              |
|        | Other Miscellaneous                                | 6.00              |
|        | <b>Line, Cables Net Works etc.</b>                 |                   |
|        | O.H. Lines, Towers, Poles, etc Higher than 66 KVA  | 2.57              |
|        | O.H. Lines, Towers, Poles, etc 13.2 below 66 KVA   | 3.60              |
|        | O. H. lines Towers Poles conductors etc            | 3.60              |
|        | O. H. lines Towers Poles etc on treated wood       | 3.60              |
|        | Underground cables incl. Joint Boxes & Discon. Box | 2.57              |
|        | Service Connections                                | 6.00              |
|        | Temporary Connection for supply of power           | 3.60              |
|        | Metering Equipments                                | 3.60              |
| 7      | Street lighting & Signal System                    | 6.00              |
|        | Miscellaneous Equipments                           | 6.00              |
|        | <b>Vehicles</b>                                    |                   |
|        | Trucks, Tempos, Trekkers                           | 18.00             |
| 8      | Jeeps and Motor Cars                               | 18.00             |
|        | Other Vehicles                                     | 18.00             |
|        | <b>Furniture &amp; Fixtures</b>                    | 6.00              |
| 9      | <b>Office Equipments</b>                           |                   |
|        | Calculators                                        | 6.00              |
|        | Typewriters                                        | 6.00              |
|        | Cash Registers in Cash Office                      | 6.00              |
|        | Other Office Equipments                            | 6.00              |
|        | Computers & Peripherals                            | 6.00              |

#### f. Inventories (AS-2)

Inventories has not stated at the lower of cost and net realisable value. The cost of various categories of inventories is arrived at as follows:-

Fast moving items of inventories are valued at standard rates determined by the Company from time to time.

In case of items not covered by the Standard Rate system, the receipts are valued at Basic price plus Excise Duty plus Sales Tax. In such cases, the issues are valued at the weighted average rate applicable to the closing stock of the previous month. Where the closing stock of the previous month is nil, the valuation of issues are at the rate of first receipt of the month.

Subsequent increase/decrease in the cost of receipt shall be adjusted in the issue rate prospectively and no retrospective adjustment shall be made to the value of past issues made out of the concerned receipts or to the assets constructed out of such issues.

Freight on materials purchased (whether incurred and billed by supplier or incurred by the Board) are not be treated as materials cost and are recorded in the separate account

provided for this purpose.

All other incidental costs such as packing charges, Octroi etc. are also not be treated as materials cost and are recorded in separate accounts provided for this purpose.

Returns from out of the materials issued in the past are valued at the issue rate applicable for the month in which the materials are returned.

The prescribed bases of valuation of issues and returns may lead to certain anomalies in stock values. Such anomalies, if any, are removed at the end of every quarter and the amount by which the stock values required adjustment are accounted for in a separate account prescribed for this purpose.

The liability to be created on the receipt of materials are made

- at the standard rate in case of fast moving items and
- at the purchase order rate in case of other items.

Accounting for advance adjusted and recoveries and deductions made from a supplier bill passed by the Board and recognition of the liability for the net amount due on that bill are not inferred till the actual discharge of the net liability.

Loss on shortage in materials stock is provided for in the period in which the shortages are observed.

#### Treatment of Materials Cost Variance :-

Under the standard rate system referred to above, materials cost variance if any, in respect of receipts at construction locations or at O&M locations are not charged to Revenue Account or to Capital Works.

The balance in the "Materials Cost Variance Account" all the year end shall be treated as follows:-

- (1) Credit balance shall be credited to a Reserve called "Reserve for Materials Cost Variance".
- (2) Debit balance shall be debited to the "Reserve for Materials Cost Variance". If as a result of such debit, the net balance in this Reserve account is a debit balance, the amount of debit balance shall be charged to Revenue account for the year.

Accounting treatment for materials cost variance prescribed above assumes that the standard rates are fixed appropriately and that a system exists for periodic revision of rates whenever significant variances are being observed.

#### g. Provisions (AS-29)

Provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

#### **h. Taxation (AS -22)**

Tax expense comprises current tax, deferred tax. The current charge for income tax is measured at the amount expected to be paid to the tax authorities in accordance with The Indian Income Tax Act, 1961. Provisions for current income tax are made on the basis of the results of the year although the actual liability will be computed and paid on the basis of results for the period ending 31st March, 2012.

The deferred tax for timing difference between the book and tax profit for the year is accounted for using the future tax rates and loss that have been enacted and subsequently enacted as of the balance sheet date.

Deferred tax Asset arising from timing differences is recognised to the extent there is reasonable certainty that the asset can be realised in future. Deferred taxes Asset are reviewed at each balance sheet date for its reliability.

#### **i. Segment Reporting :- (AS 17)**

The company is operating in transmission of power which is the only segment and hence the segment reporting is not applicable to the company.

#### **j. Impairment of Assets:- (AS 28)**

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset fair value less cost to sell and its value in use. For the purpose of assessing the impairment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating unit).

#### **k. Cash Flow:- (AS 3)**

Cash flow is presented under indirect method.

#### **l. Borrowing Cost:- (AS 16)**

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalised. Other borrowing cost are recognised as expenses in the period in which they are incurred in determining the amount of borrowing cost eligible for capitalisation during the period any income earned on temporary investment on those borrowing is deducted from the borrowing cost.

#### **m. Preliminary Expenses / Pre-operative Expenses :-**

Preliminary expenses / pre-operative expenses will be written off in the same year in which it is incurred.

## II. NOTES TO ACCOUNT

1. During the year the company has allotted for a value of Rs.406,46,26,070/- for consideration otherwise than by way of cash for 40,64,62,607 @ 10/- per share by way of various Government Orders. The Board had approved this allotment in the Board meeting held on 27.09.2012.

The total share capital of the company as at the end of the year is 233,40,10,400 Equity Shares of Rs.10/- each for Rs. 2334,01,04,000 (192,75,47,793 Equity Shares of Rs. 10 each) represents 99.99% of total equity shares are being held by the holding company, M/s TNEB Limited, and the balance 50000 Equity shares of Rs.10/- each representing .01% by Government of Tamilnadu. However as per registrar of companies allotment of shares to the extent of Rs.2334,00,66,020 has alone been made. The difference of Rs.37,980 is yet to be made.

2. The company has commenced operation from 01st November 2010, since the transfer scheme transferring the assets , liabilities and employees of erstwhile TNEB are transferred with effect from 1st November vide Government of Tamilnadu's Order No. 100 dated 19.10.2010. The financial figures for the previous period presented are for the period of 5 months from 01.11.2010 to 31.03.2011 and hence are not comparable with current year figures.

3. The company has taken a secured loans from various Banks & Financial Institutions and outstanding as on 31.03.2012 for a value of Rs. 10219.18 Crores (Rs.12,452.99 Crores). The same is secured against the fixed assets and current assets of the company.

4. The assets & liabilities of TNEB has been taken and considered in the books company at the provisional value mentioned in the G.O.Ms.02 dated 02.01.2012 this may subject to change after the finalisation of the entire re-organisation of erstwhile TNEB. For segregation purpose the audited accounts of erstwhile TNEB as on 31.03.2010 was being considered, and the same has been transferred to TANTRANSOCO to be taken as opening balance as on 1.11.2010. Since the bifurcation of assets and liabilities of TNEB is under progress, the company is in the process of updating the fixed assets/loan/stock registers.

5. Confirmation for the term loans, sundry creditors, Sundry debtors, and Loans & Advances has not been obtained.

6. In respect of income from services the company has not accounted and paid its service tax fully and the amount is not quantified and provision for same has not been made.

7. Inter unit account for value of Rs. 13.30 Crores (Rs.40.40 Crores) is not reconciled.
8. The portion of interest payable on borrowing for the financing of capital asset at construction stage has been capitalised for the year is Rs. 238.73 Crores (Rs.49.85 Crores).

**9. CIF Value of Imports – NIL**

**10. Expenditure in Foreign currency – NIL**

11. It has been envisaged in clause 11 (4) of G.O.No. 100 dated 19.10.2010 that till further orders of the Commission regarding the tariff determination, the revenues from the distribution and retail supply of electricity shall be collected by TANGEDCO in its entirety and will reimburse the expenses of TANTRANSCO on actual basis till further order of the Commission on determination of tariff for transmission charges. In accordance with the contents of the G.O. the transmission charges receivable from TANGEDCO has been limited to the extent of the audited expenditure i.e Rs. 1621,88,08,885/- (Rs.508,73,43,094/-).

12. The Statutory Audit Fees for the current financial year and previous financial year is as follows

**FY 2010-11 :** Rs. 3,50,000/- (excluding service tax)

**FY 2011-12 :** Rs. 3,50,000/- (excluding service tax)

13. The pension payments of existing pensioners of erstwhile TNEB are being paid by TANGEDCO since no segregation of pensioner's liability has been finalised in the provisional transfer scheme. The payments of pension to those who have retired from 1.10.2010 to 31.03.2012 are also made by TANGEDCO and the TANTRANSCO's share has not been derived so far. As and when it's ascertained the company has to make the payment to TANGEDCO.

14. The Capital work in Progress as on 31.03.2012 includes a sum of Rs.31.53 Crores (Rs.95 Crores) of work in progress under taken on behalf of TANGEDCO.

15. Value of indigenous and imported stores spares and components consumed.

| Sl. No. | Particulars           | Amount in Rs. In Crs. |
|---------|-----------------------|-----------------------|
| 1       | Indigeneous Materials | 299.11 (142.84)       |
| 2       | Imported Materials    | NIL                   |

16. Once the transfer of assets is finalised, the company assets will be identified, physically verified and impairment if any could be assessed.

17. Quantitative details of Transmission and Loss of Energy.

| Sl.No. | Particulars                                                                 | 2011-12  | 11/10 to 03/2011 |
|--------|-----------------------------------------------------------------------------|----------|------------------|
| 1      | Energy Injected from Generator / Interstate                                 | 73135.77 | 29513.74         |
| 2      | Energy fed to EHT/HT consumers and total consumption at SS end of 11/ 22 KV | 70027.94 | 28167.76         |
| 3      | Total Transmission Loss                                                     | 3107.83  | 1345.99          |
| 4      | % of Loss                                                                   | 4.25     | 4.56             |

18. There are certain liabilities exist in erstwhile TNEB as on 31.10.2010, however payment has been made in TANTRANSCO subsequently. However, the same will get adjusted when the opening balance as on 31.10.2010 is transferred to TANTRANSCO in the final transfer scheme.

19. The employee subscriptions as well as the Board's matching contributions are not invested outside, since no specific instruction has been received from Government of Tamil Nadu regarding formation of Trust.

20. The Terminal Benefits such as gratuity, encashment of E.L., Commutation of Pension are paid from Revenue account consistently and no provision has been made.

21. The provisions of section 274(1) (g) of the Companies Act, 1956 are not applicable to a government company vide notification no GSR 829 (E), dated 21-10-2003.

**22. Related Party Disclosure:-**

(i) The company is a subsidiary of TNEB Ltd. Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) is another subsidiary of TNEB Ltd.

(ii) The following directors of TANTRANSCO are also directors of TANGEDCO and TNEB Limited.

| Sl.No. | Name of the Director                                      | Director in                                                       |
|--------|-----------------------------------------------------------|-------------------------------------------------------------------|
| 1      | Thiru K. Gnanadesikan<br>Chairman/TANTRANSCO              | Chairman cum Managing<br>Director in TANGEDCO and<br>TNEB Limited |
| 2      | Thiru V.G. Manoharan<br>Managing Director /<br>TANTRANSCO | Part Time Director in TNEB<br>Limited and TANGEDCO                |

## (iii) Inter company transactions:

| S.No. | Description of Item                                                                         | Government of<br>Tamil Nadu | TANTRANSCO                          | TNEB LTD                           |
|-------|---------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------|------------------------------------|
| 1     | Share Capital                                                                               | 5,00,000<br>(5,00,000)      |                                     | 2333,96,04,000<br>(1927,49,77,930) |
| 2     | Revenue From<br>Transmission of Power &<br>Sundry Debtors for<br>Transmission of Power      |                             | (1621,88,08,885)<br>(508,73,43,094) |                                    |
| 3     | Director's Remuneration<br>& Amount Payable to<br>TANGEDCO                                  |                             | 45,82,426<br>(16,12,307)            |                                    |
| 4     | Funds received (in the<br>forms of cash, materials<br>etc.) & Amount payable<br>to TANGEDCO |                             | 6738,73,41,210<br>(1127,06,03,344)  |                                    |
| 5     | Income Accrued &<br>Amount Receivable from<br>TANGEDCO & TNEB<br>Limited                    |                             | 2908,63,64,762<br>(1112,15,87,426)  | 2,95,76,159<br>(1,05,03,954)       |

23. Claims made by SR constituents on erstwhile TNEBi. Transmission and wheeling Charges:

The KPTCL and Tamilnadu Electricity Board are wheeling Kaiga's share and MAP's share to other SR constituents through their 230KV system for which the SR constituents has to pay transmission and wheeling charges to Karnataka and Tamilnadu respectively. As convergence could not be arrived in the Commercial Committee meeting the same will be discussed in the SRPC meeting. In the SRPC meeting held on 5.3.2013, the following deliberations were made:

Payment between Tamilnadu and Kerala:

Kerala agreed that the issue regarding monetary compensation for refund of energy to KSEB by various CGS would be delinked from other payment related issues. It is also agreed in principle to the payment figures in respect of transmission/wheeling/reactive energy charges, monetary compensation for over drawal of energy etc. Kerala also agreed

in principle for releasing payment towards charges of TNEB owned transformers at Salem and Sriperumbudur.

**Dues Payable to Karnataka**

It was agreed by Karnataka, Tamilnadu and Kerala that the principal amount with respect to transmission and wheeling charges and reactive energy charges would be reconciled soon.

**Dues Payable to Andhra Pradesh**

In respect of APTRANSCO, the amount payable towards wheeling charges is being adjusted towards the energy charges payable by TNEB and TNEB has to pay the balance due to APTRANSCO.

**Interest Payable**

AP, TN, Kerala and Karnataka agreed that SBI PLR could be applied towards the rate of interest payable, wherever due. It was also agreed that the matter regarding payment of interest would be referred to the chairperson of the Utilities of the four States for further course of action.

ii. **Frequency Linked Penalty/Incentive Scheme between SR constituents:**

The issue of frequency linked penalty/incentive schemes the states of Tamilnadu, Kerala, Karnataka and Andhra Pradesh is still under discussion in the SREB forum. TNEB will release the payment towards transmission & wheeling charges to SR Constituents on finalisation of the above.

iii. **Energy charges payable by MPSEB to erstwhile TNEB for the period from 10/2001 to 12/2002**

Meeting need to be convened with WRPC for resolving this issue at the earliest.

24. The erstwhile TNEB did not pay income tax on its income since it had unabsorbed business losses and depreciation reserve carried forward over the years. As per section 72A of the IT Act 1961 the carried forward losses can be allocated to demerged companies in the ratio of assets transferred. Hence the company need not pay income tax until carried forward losses are fully absorbed. Hence assessment of deferred tax Assets and deferred tax Liabilities could be made only when actual profit or loss is arrived besides the transfer of assets and liabilities as per G.O. Ms. No. 100 dated 19.10.2010 and G.O. Ms. 02 dated 02.01.2012 are finalised.

25. Based on the information available with the company no sundry creditor has claimed under Micros, Small & Medium Enterprises (as defined in "The Micro, Small & Medium Enterprises Development Act, 2006").

26. The commitment on capital expenditure on contract pending execution as on 31.3.2012 is Rs. 15.20 (Rs 4.45 Crores).

sd/-  
M.MAHESWARI BAI  
Chief Financial Controller

sd/-  
K. MUTHUPANDIAN  
Company Secretary

sd/-  
S.SEEKIZHAR  
Director/Finance

sd/-  
V.G. MANOHARAN  
Managing Director (i/c)

As per our report of even date  
For M/s Venkatesh & Co  
Chartered Accountants  
Firm No. 004636S

Date: 20.05.2013  
Place: Chennai.

Sd/-  
(V.DASARATY)  
Partner  
Membership No. 26336

| CASH FLOW STATEMENT                                                          |  |  |                   |                  |
|------------------------------------------------------------------------------|--|--|-------------------|------------------|
|                                                                              |  |  | (RUPEES IN LAKHS) |                  |
|                                                                              |  |  | Period Ended      |                  |
| Particulars                                                                  |  |  | 31.03.2012        | 31.03.2011       |
| <b>I. Cash Flows From Operating Activities</b>                               |  |  |                   |                  |
| Net Profit before tax and Extraordinary items                                |  |  |                   |                  |
| Adjustments For:                                                             |  |  | <b>231.83</b>     | <b>0.00</b>      |
| Depreciation                                                                 |  |  | 29091.04          | 12123.24         |
| Interest Income                                                              |  |  | 0.00              | 0.00             |
| (Profit) / Loss on sale of Asset                                             |  |  | 0.00              | 0.00             |
| Interest Paid                                                                |  |  | 138593.41         | 34245.10         |
| Extraordinary items:-                                                        |  |  |                   |                  |
| Loss on account of flood fire cyclone etc.,                                  |  |  | -231.83           | 0.00             |
| Operating Profit Before Working Capital changes                              |  |  | <b>167684.45</b>  | <b>46368.34</b>  |
| Change in Trade and Other receivables                                        |  |  | -340036.33        | -169905.27       |
| Change in Inventories                                                        |  |  | 9624.72           | -3918.93         |
| Change in Other Current Liabilities                                          |  |  | 573184.91         | 128238.79        |
| Income Taxes Paid                                                            |  |  | 0.00              | 0.00             |
| <b>Net Cash Flow From Operating Activities (A)</b>                           |  |  | <b>410457.75</b>  | <b>782.93</b>    |
| <b>II. Cash Flow From Investing Activities</b>                               |  |  |                   |                  |
| Purchase/ sale of Fixed Assets                                               |  |  | -93730.61         | -41260.46        |
| Deferred Revenue Expenditure                                                 |  |  | 0.00              | 0.00             |
| Investment in Shares                                                         |  |  | 0.00              | 0.00             |
| Interest Income                                                              |  |  | 0.00              | 0.00             |
| Sale of Fixed Assets                                                         |  |  | 20.77             | 1.24             |
| <b>Net Cash flow used in Investing Activities (B)</b>                        |  |  | <b>-93709.84</b>  | <b>-41259.22</b> |
| <b>III. Cash Flow from Financing Activities</b>                              |  |  |                   |                  |
| Changes in Borrowings                                                        |  |  | -223381.06        | 73270.15         |
| Share Capital raised                                                         |  |  | 40646.26          | 0.00             |
| Reserves & Surplus                                                           |  |  | 7476.48           | 3195.06          |
| Interest Paid                                                                |  |  | -138593.41        | -34245.10        |
| <b>Net Cash flow From Financing Activities (C)</b>                           |  |  | <b>-313851.73</b> | <b>42220.11</b>  |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents [ D = (A+B+C) ]</b> |  |  | <b>2896.18</b>    | <b>1743.82</b>   |
| <b>Opening Balance of cash &amp; Cash Equivalents (E)</b>                    |  |  | <b>1748.87</b>    | <b>5.05</b>      |
| <b>Closing Balance Of Cash &amp; cash Equivalents [ F = ( D+E) ]</b>         |  |  | <b>4645.05</b>    | <b>1748.87</b>   |
| # the cashflow has been Prepared with the during the year transactions from  |  |  |                   |                  |
| 1st April 2011 to 31st MARCH 2012                                            |  |  |                   |                  |

sd/-  
M.MAHESWARI BAI  
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V.G. MANOHARAN  
Managing Director (i/c)

As per our report of even date  
For M/s Venkatesh & Co  
Chartered Accountants  
Firm No. 004636S

Date: 20.05.2013  
Place: Chennai.

Sd/-  
(V.DASARATY)  
Partner  
Membership No. 26336

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

### I. REGISTRATION DETAILS

|                     |                       |             |      |
|---------------------|-----------------------|-------------|------|
| Registration No:    | U40109TN2009SGC071948 | State Code: | 18   |
| Balance Sheet Date: | 31                    | 03          | 2012 |
|                     | Date                  | Month       | Year |

### II. Capital raised during the year (Amount in Rs. Thousands)

|              |   |                   |         |
|--------------|---|-------------------|---------|
| Public Issue | - | Rights Issue      | -       |
| Bonus Issue  | - | Private Placement | 4064626 |

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

|                   |              |
|-------------------|--------------|
| Total Liabilities | Total Assets |
| 128706071         | 128706071    |

### Sources of Funds

|                 |                    |
|-----------------|--------------------|
| Paid-up Capital | Reserves & Surplus |
| 23340104        | 3146279            |
| Secured Loans   | Unsecured Loans    |
| 102191775       | -                  |
| Other Funds     |                    |
| 27914           |                    |

### Application of Funds

|                    |                   |
|--------------------|-------------------|
| Net Fixed Assets   | Investments       |
| 113720659          | -                 |
| Net Current Assets | Misc. Expenditure |
| (25333132)         |                   |
| Accumulated Losses |                   |
| 40318546           |                   |

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

|                           |          |                       |          |
|---------------------------|----------|-----------------------|----------|
| Turnover                  | 17448587 | Total Expenditure     | 17448587 |
| Profit/Loss before tax    | -        | Profit/Loss after tax | -        |
| Earnings per Share in Rs. | -        | Dividend rate %       | -        |

**a. Generic Names of Principal Products / Services of Company (as per monetary terms)**

|                     |                       |
|---------------------|-----------------------|
| Product Description | Transmission of Power |
|---------------------|-----------------------|

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Membership No. 26336

## HOW DO WE SPEND

