

TAMIL NADU TRANSMISSION CORPORATION LIMITED

4th ANNUAL REPORT 2012-13

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

Table of Contents

1.	<i>Director's Report</i>	1-7
2.	<i>C&AG Report and Replies.....</i>	8-11
3.	<i>Statutory Auditor's Report and Replies.....</i>	12-28
4.	<i>Profit and Loss Account.....</i>	29
5.	<i>Net Revenue & Appropriation Account.....</i>	30
6.	<i>Balance Sheet.....</i>	31
7.	<i>Schedules.....</i>	32-57
8.	<i>Notes to Accounts.....</i>	58-66
9.	<i>Cash Flow Statement.....</i>	67
10.	<i>Company's Business Profile.....</i>	68-69

TAMILNADU TRANSMISSION CORPORATION LIMITED

144, Anna Salai, Chennai – 600 002

NOTICE

NOTICE is hereby given that the adjourned Fourth Annual General Meeting of the Company which was held on 17.09.2013 and adjourned for want of 4th Annual Report, will be held at the Registered office of the Company at NPKRR Maaligai, (TNEB Office), #144, Anna Salai, Chennai – 600 002 on Thursday, the 27th March 2014 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 2013 and the Profit and Loss account of the Company for the period from 1st April 2012 to 31st March 2013, 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 Section 224 read with 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 to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting”.

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: 23.03.2014

(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 4th Annual Report for the Year 2012-13.

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 PERSONNEL

- 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 31 st March 2013	Year ended 31 st March 2012
	INCOME		
1	Revenue from Transmission of Power	238110.00	170705.98
2	Other income	3384.73	3779.89
		241494.73	174485.87
	EXPENDITURE		
1	Repairs & Maintenance	753.45	798.35
2	Employee Cost	57988.53	36080.62
3	Administrative and General Expenses	2327.43	1961.72
4	Other Expenses	627.40	14.67
	Less: Expenses Capitalised	(8791.00)	(8565.04)
		52905.81	30290.32
	Profit/(Loss) Before Depreciation and Interest	188588.92	144195.55
	Less: Depreciation	(29934.08)	(29091.04)
	Profit/(Loss) Before Interest and Tax	158654.84	115104.51
	Less : Interest and other Bank charges	(132985.16)	(138593.41)
	Add : Interest charges capitalised	27169.45	24095.06
	Less: Extra ordinary expenses	0.00	(231.83)
	Less: Prior Period Charges	(29195.26)	(374.33)
	Profit/(Loss) Before Tax	0	0
	Less : Provision for Taxation	---	---
	Profit/(Loss) after Tax	23643.87	0

6.0 DETAILS OF OPERATIONAL PERFORMANCE DURING 2012-13

6.1 Sub-stations Commissioned:

Sl. No.	Voltage Reading	No. of SS	Total Capacity(in MVA)	Under R-APDRP		Total No. of SS	Total Capacity(in MVA)
				No. of SS	Total Capacity(in MVA)		
1.	400 KV	-	-	-		-	
2.	230 KV	2	300	-		2	300
3.	110 KV	17	281	1	16	18	297
4.	33 KV	7	56	4	32	11	88
	Total	26	637	5	48	31	685

6.2 Lines Energized:

Sl. No.	Description	Distance (in Circuit KM)
1.	400 KV OH Line	261.060
2.	230 KV OH Line	252.598
3.	110 KV OF Line	484.030
4.	110 KV Cable	—
	Total	997.688

6.3 Additional / Enlargement of Power Transformers :

Sl. No.	No. of Transformers	Capacity in MVA
1.	56	783

- i. The 'All time high' demand for the financial year 2012-13 of 11285 MW was reached on 26.06.2012.
- ii. The 'All time high' consumption for the financial year 2012-13 of 248.19 MU was recorded on 24.07.2012.
- iii. The minimum demand of 4783 MW was recorded on 31.10.2012 whereas the minimum consumption was 153 MU on 31.10.2012.
- 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 2012-13, 46 nos. of Private generators were interaced with the grid at 110 kV level and above.

Intra State Open Access

- Intrastate open access is being permitted to all the willing HT consumes to purchase power from the generators irrespective of quantum upto their sanctioned demand within Tamilnadu under intrastate Short term open access transactions.
- During the Financial Year 2012-13 405 Nos of HT consumers purchased power to the quantum of 227 MW from 37 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 of 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 2012-13, 7 Nos. of HT consumers purchased Power to the quantum of 6 MW (Average) through traders under inter-state short-term open access bilateral transactions and 326 Nos. of HT consumers purchased power to the quantum of 103 (Average) 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 and recommending the projects to National Load Despatch Centre (NDC) , New Delhi for registration is being carried by the Superintending Engineer/ LD&GO, SLDC Chennai-2.
- b) There are 101 nos. of Renewable Energy Generators were Accredited and Registered under REC Mechanism for a capacity of 378 MW for the financial year 2012-13 and Energy Injection Report on monthly basis is being issued to all registered Renewable Energy Generators.

7.0 **STATUTORY AUDITORS:**

The C & AG of India have appointed Padmanabhan Prakash & Co., Chennai as Statutory Auditors for auditing the Accounts of TANTRANSO for the Financial Year 2012-13.

7.1 **CAG Report**

Supplementary Audit was conducted by Comptroller and Auditor General of India under section 619(3)(b). C&AG has vide its letter dated 12.03.2014 communicated the Certificate. The same and the management reply for the comments are also enclosed for the ready reference of the members.

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 2012-13 is NIL.

9.0 **Directorate (Financial Year ending 31.03.2013) :**

Sl.No.	Name	Designation
1.	Mr. K.Gnanadesikan, IAS	Chairman
2.	Mr. V.G.Manoharan	Managing Director
3.	Mr. Sivagurunathan Sekkizhar	Director (Finance)
4.	Mr.Sundram Akshya Kumar	Director(Transmission Projects)
5.	Mr. K. Viswanathan	Director (Operation)
6.	Mr.Thangaraj Jeyaseelan	Director (Part time)
7.	Mr.N.Sankar	Director (Part time)
8.	Mr. Rajesh Lakhoni, IAS Principal Secretary to Government/Energy Department	Director (Ex-Officio)
9.	Mr. Kandasamy Shanmugam, IAS Principal Secretary to Government (Finance Department)	Director (Ex-Officio)
10.	Mr. N.S.Palaniappan Ramesh, IAS 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 the 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 2013; and of the revenue account for that period. The rates of depreciation adopted are as per the Regulation 24 of Tamil Nadu Electricity Regulatory Commission's (Terms & Conditions for Determination of Tariff) Tariff Regulation 2005.
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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.

ACKNOWLEDGEMENTS

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 endeavor 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.

Chennai

26.03.2014

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 A/cs 2012-13/99

Dated: 12 March 2014

To
 The Chairman,
 Tamilnadu Transmission Corporation Limited,
 144, Anna Salai,
 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 Tamil Nadu Transmission Corporation Ltd for the year ended 31st March, 2013 – reg.

The 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 Ltd., for the year ended 31st March, 2013 is forwarded herewith.

A copy of the minutes of Annual General Meeting in which comments of Comptroller and 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,

Encl: As stated.

Sd/-
Deputy Accountant General/ES-II

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 2013.

The preparation of financial statements of Tamil Nadu Transmission Corporation Limited, Chennai (TANTRANSCO) for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory 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 30 October 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 2013. 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

Net Assets

1. Fixed Assets and Provision for depreciation

Gross Block (Schedule - 19) – ₹ 12,895.25 Crore

- i) This does not include ₹ 94.42 lakh being cost of assets completed during 2012-13 relating to Wind Energy, Udumalpet (₹ 60.32 lakh) and Operation Circle, Vellore (₹ 34.10 lakh). This has resulted in understatement of the above head by ₹94.42 lakh, understatement of 'Contributions, grants and subsidies towards cost of capital assets' by ₹ 60.32 lakh and overstatement of 'Capital work in progress' by ₹ 34.10 lakh
- ii) This stands understated by ₹8.31 crore (net) being the cost of completed 230 KV/110 KV substations transferred by the construction circle, Madurai but incorrectly booked under TANGEDCO accounts. Consequently, dues reimbursable from TANGEDCO stands overstated by a like amount.
- iii) It does not include ₹ 31.29 crore being the cost of power transformers commissioned up to March 2013 in respect of substations relating to Wind Energy, Tirunelveli (₹ 28.13 crore) and Wind Energy, Udumalpet (Rs.3.16 crore). This has resulted in understatement of the above head with corresponding understatement of 'Liability for capital works' by Rs.31.29 crore.

2. Capital Expenditure in Progress (Schedule - 21)

Capital Work in progress – ₹ 3,415.70 Crore

- i) This includes ₹ 18.52 crore being the value of substation and other capital works completed by construction circles at Madurai and Trichy and handed over before 31 March 2013. Consequently, the above head stands overstated by ₹ 18.52 crore and inter-unit account (Dr) stand understated to the same extent.
- ii) An advance amount of ₹ 5.82 crore was paid to Power Grid Corporation of India towards project cost and consultancy fee for the transmission works at Arasur. The work has since been completed and a balance amount of ₹ 2.61 crore is payable. Non provision for this liability has resulted in understatement of 'Capital work in Progress' as also 'Liability for Capital Supplies/works' by ₹ 2.61 crore.

3. Total Current Assets

Stocks (Schedule – 26(A)) – ₹ 444.40 crore

- i) The above does not include ₹ 1.06 crore being cost of power transformer received by Construction Circle, Coimbatore before 31 March 2013 but taken to stock only during July 2013. This has resulted in understatement of the above head by ₹ 1.06 crore as also 'Other current liabilities' by a like amount.

ii) Materials Pending Inspection – ₹ (-) 1.60 crore

Materials pending Inspection as on 31.3.2013 at the General Construction Circles at Trichy, Madurai and Coimbatore amounted to ₹ 17.05 crore. This was not brought into accounts resulting in understatement of the above head by ₹ 17.05 crore with corresponding understatement of 'Other current liabilities' by a like amount.

4. Other Current Liabilities (Schedule - 28)

i) Liability for capital supplies /works – ₹ 398.43 crore

a) Construction circle, Trichy had received bills amounting to ₹ 167.24 crore towards capital works carried out and check measured before 31 March 2013. However, no provision for the liability has been made. This had resulted in understatement of the above head as also understatement of 'Capital work in progress' by ₹ 167.24 crore

b) The above head is overstated to the extent of ₹ 10.96 crore being liability for capital supplies discharged through central payments during the year 2012-13. Consequently, inter-unit account (cr) is understated by a like amount.

ii) Deposits & Retention from Suppliers and Contractors – ₹ 237.63 crore

This stands understated by ₹ 1.19 crore being amount remitted towards earnest money deposit but wrongly taken to revenue. Consequently, revenue stands overstated by ₹ 1.19 crore.

iii) Deposits for Electrification/ Service Connection – ₹ 89.05 crore

This is understated by ₹ 2.33 crore due to non-accounting of deposits collected for Deposit Contribution Works. It was noted that the same were wrongly booked as deposits of TANGEDCO. This has resulted in understatement of the above head by ₹ 2.33 crore with corresponding understatement of dues reimbursable from TANGEDCO by a like amount.

- iv) Due to incorrect adjustment of O&M charges received in advance from Windmill developers, 'Other Deposits from Consumers' stand overstated by ₹ 1.37 crore. Consequently, 'Other income' stands understated by ₹ 1.04 crore and 'Prior Period income' stand understated by ₹ 33 lakh.

B. Revenue Account

5. Income – ₹ 2,414.95 crore

- i) This does not include ₹ 55.88 crore being revenue from System Operating charges, reactive energy charges, O&M charges etc. accounted under TANGEDCO accounts. This has resulted in understatement of revenue from sale of power ₹ 55.88 crore with corresponding understatement of dues reimbursable from TANGEDCO by a like amount.
- ii) This stands overstated by a sum of ₹ 4.64 crore due to wrong booking of wheeling charges relating to TANGEDCO under TANTRANSCO accounts. This has resulted in overstatement of revenue to the extent of ₹ 4.64 crore with corresponding overstatement of dues reimbursable from TANGEDCO by the same amount.

C. Notes to Accounts:

6. Note No. 22 – Related Party Disclosure - Inter Company Transactions

The amount receivable from/payable to TANGEDCO as per TANTRANSCO accounts has not been reconciled with corresponding figures available under TANGEDCO accounts. Consequently, the impact of the above on the accounts could not be vouchsafed in audit.

D. General:

7. 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 for the period April-October 2010. The opening balances as on 1 April 2012 are therefore unreconciled figures especially with regard to the following schedules viz.,

Schedule 19 – Fixed Assets and Provision for depreciation;

Schedule 21 – Capital Expenditure in progress;

Schedule 26 – Total Current Assets and

Schedule 28 – Other Current Liabilities.

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

**Place: Chennai
Date: 12 March 2014**

**Sd/-
SUBHASHINI SRINIVASAN
PRINCIPAL ACCOUNTANT GENERAL**

ADDENDUM TO DIRECTOR'S REPORT

Sl. No.	Accountant General Audit Comment	Management Reply
A.Balance Sheet 1	Net Assets Fixed Assets and Provision for depreciation Gross Block (Schedule - 19) – Rs.12,895.25 Crore i) This does not include Rs.94.42 lakh being cost of assets completed during 2012-13 relating to Wind Energy, Udumalpet (Rs.60.32 lakh) and Operation Circle, Vellore (Rs.34.10 lakh). This has resulted in understatement of the above head by Rs.94.42 lakh, understatement of 'Contributions, grants and subsidies towards cost of capital assets' by Rs.60.32 lakh and overstatement of 'Capital work in progress' by Rs.34.10 lakh. ii) This stands understated by Rs.8.31 crore (net) being the cost of completed 230 KV/110 KV substations transferred by the construction circle, Madurai but incorrectly booked under TANGEDCO accounts. Consequently, dues reimbursable from TANGEDCO stands overstated by a like amount. iii) It does not include Rs.31.29 crore being the cost of power transformers commissioned up to March 2013 in respect of substations relating to Wind Energy, Tirunelveli (Rs.28.13 crore) and Wind Energy, Udumalpet (Rs.3.16 crore). This has resulted in understatement of the above head with corresponding understatement of 'Liability for capital works' by Rs.31.29 crore.	The said amount would be transferred to appropriate head in 2013-14 accounts. The said amount would be transferred to appropriate head in 2013-14 accounts The same would be journalized and set right in 2013-14 accounts.
2	Capital Expenditure in Progress (Schedule - 21) Capital Work in progress – Rs.3,415.70 Crore i) This includes Rs.18.52 crore being the value of substation and other capital works completed by construction circles at Madurai and Trichy and handed over before 31 March 2013. Consequently, the above head stands overstated by Rs. 18.52 crore and inter-unit account (Dr) stand understated to the same extent. ii) An advance amount of Rs.5.82 crore was paid to Power Grid Corporation of India towards project cost and consultancy fee for the transmission works at Arasur. The work has since been completed and a balance amount of Rs.2.61 crore is payable. Non provision for this liability has resulted in understatement of 'Capital work in Progress' as also 'Liability for Capital Supplies/works' by Rs.2.61 crore.	The same would be journalized and set right in 2013-14 accounts The same would be journalized and set right in 2013-14 accounts.

3	Total Current Assets Stocks (Schedule – 26(A)) – Rs.444.40 crore i) The above does not include Rs. 1.06 crore being cost of power transformer received by Construction Circle, Coimbatore before 31 March 2013 but taken to stock only during July 2013. This has resulted in understatement of the above head by Rs.1.06 crore as also 'Other current liabilities' by a like amount. ii) Materials Pending Inspection – Rs. (-) 1.60 crore Materials pending Inspection as on 31.3.2013 at the General Construction Circles at Trichy, Madurai and Coimbatore amounted to Rs. 17.05 crore. This was not brought into accounts resulting in understatement of the above head by Rs. 17.05 crore with corresponding understatement of 'Other current liabilities' by a like amount.	The same would be journalized and set right in 2013-14 accounts. The same would be journalized and set right in 2013-14 accounts.
4	Other Current Liabilities (Schedule - 28) i) Liability for capital supplies /works – Rs.398.43 crore a) Construction circle, Trichy had received bills amounting to Rs.167.24 crore towards capital works carried out and check measured before 31 March 2013. However, no provision for the liability has been made. This had resulted in understatement of the above head as also understatement of 'Capital work in progress' by Rs. 167.24 crore. b) The above head is overstated to the extent of Rs.10.96 crore being liability for capital supplies discharged through central payments during the year 2012-13. Consequently, inter-unit account (cr) is understated by a like amount. ii) Deposits & Retention from Suppliers and Contractors – Rs.237.63 crore This stands understated by Rs. 1.19 crore being amount remitted towards earnest money deposit but wrongly taken to revenue. Consequently, revenue stands overstated by Rs. 1.19 crore.	The same would be journalized and set right in 2013-14 accounts. The same would be journalized and set right in 2013-14 accounts. The same would be journalized and set right in 2013-14 accounts.

	iii) Deposits for Electrification/ Service Connection – Rs.89.05 crore This is understated by Rs.2.33 crore due to non-accounting of deposits collected for Deposit Contribution Works. It was noted that the same were wrongly booked as deposits of TANGEDCO. This has resulted in understatement of the above head by Rs.2.33 crore with corresponding understatement of dues reimbursable from TANGEDCO by a like amount. iv) Due to incorrect adjustment of O&M charges received in advance from Windmill developers, 'Other Deposits from Consumers' stand overstated by Rs. 1.37 crore. Consequently, 'Other income' stands understated by Rs. 1.04 crore and 'Prior Period income' stand understated by Rs. 33 lakh.	The same would be journalized and set right in 2013-14 accounts. The same would be journalized and set right in 2013-14 accounts.
B. Revenue Account 5	Income – Rs.2,414.95 crore i) This does not include Rs.55.88 crore being revenue from System Operating charges, reactive energy charges, O&M charges etc. accounted under TANGEDCO accounts. This has resulted in understatement of revenue from sale of power Rs.55.88 crore with corresponding understatement of dues reimbursable from TANGEDCO by a like amount. ii) This stands overstated by a sum of Rs.4.64 crore due to wrong booking of wheeling charges relating to TANGEDCO under TANTRANSCO accounts. This has resulted in overstatement of revenue to the extent of Rs.4.64 crore with corresponding overstatement of dues reimbursable from TANGEDCO by the same amount.	The said amount would be transferred to appropriate head in 2013-14 accounts The same would be journalized and set right in 2013-14 accounts.
C. Notes to Accounts: 6	Note No. 22 – Related Party Disclosure - Inter Company Transactions The amount receivable from/payable to TANGEDCO as per TANTRANSCO accounts has not been reconciled with corresponding figures available under TANGEDCO accounts. Consequently, the impact of the above on the accounts could not be vouchsafed in audit.	The same would be reconciled and furnished and set right in 2013-14 accounts.

D. General: 7	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 for the period April-October 2010. The opening balances as on 1 April 2012 are therefore unreconciled figures especially with regard to the following schedules viz., Schedule 19 – Fixed Assets and Provision for depreciation; Schedule 21 – Capital Expenditure in progress; Schedule 26 – Total Current Assets and Schedule 28 – Other Current Liabilities.	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. 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. 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. 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. 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 has also been mentioned in note no. 4 of Statement 5 notes to accounts. The same would be set right in final transfer of assets.
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**PADMANABHAN PRAKASH & Co***Chartered Accountants*

5, SMITH ROAD, SECOND FLOOR

CHENNAI 600002

Ph: 28523905, 28410458

e-mail: padmanabhan_prakash@yahoo.com

Independent Auditor's Report

To

The Shareholders of

Tamilnadu Transmission Corporation Limited.

Report on the Financial Statements by the Auditor of the TAMILNADU TRANSMISSION CORPORATION LIMITED, CHENNAI- 600 002.

We have audited the accompanying financial statements of **TAMILNADU TRANSMISSION CORPORATION LIMITED**, which comprise the Balance Sheet as at March 31, 2013 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act/ESSAR in the manner so required and **subject to our remarks below and in Annexure ' A : and consequential impact on the profit for the year and the relevant items in the Balance Sheet which are not ascertainable**, give a true and fair view in conformity with the accounting principles generally accepted in India subject our comments elsewhere in the report:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- b) In the case of the Statement of Revenue Account, of the Surplus for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flow for the year on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section(4A)of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order. And further subject to the following :
 - 1). The details of Addition to fixed assets (Account Group 10&14) made during the year could not be verified due to non-available supporting records and also regarding consequent calculation of the amount of depreciation charged to these additions.
 - 2). The advances to staff generally show credit balance instead of debit balance.
 - 3). In the absence of full details of the expenses reimbursable to Tantransco Ltd from Tangedco Ltd, the correctness or otherwise of these figures could not be ascertained in the Balance sheet.
 - 4). As the balance materials issued to GCC & EDCs which are pending due to non completion of various projects, closure of work orders etc capitalisation of Assets could not be verified.
 - 5). As the reconciliation has not been carried out, the correctness of the inter unit / HQ could not be ascertained.

- 6). The Liability for supply material shows debit balance instead of credit. We are informed this is due to non incorporation of opening balances from TNEB at the time of incorporation of TANTRANSCO.
- 7). Liability for supply of materials/works .Full details for this amount outstanding has not been made available to us. In many EDCs /GCCs this account shows debit balance.
- 8). Amount owing to Tangedco Ltd: We understand in most of the EDCs/GCCs Tantransco Ltd draws money to meet salary & other administrative expenses from Tangedco Ltd. The said arrangement is in accordance with the G.O. for the provisional transfers scheme of the Government of Tamil Nadu. The balance shown in the Balance Sheet is subject to reconciliation/confirmation from Tangedco Ltd
- 9). Transmission/system operating charges etc. In Most of the EDCs / GCCs.. etc. month wise details were not available for verification. In certain instances this income is taken by debiting Tangedco Ltd and income is accounted. In certain other cases income entry is passed in the last day of the year.
- 10). General Ledger; As the General Ledger is not available, the correctness or otherwise of the balances brought forward from the previous year could not be ascertained.
- 11). Capitalisation of Assets: In the case of the following GCCs there was delay in capitalisation of WIP due to the delay on account of non closure of work order and delay in sending /accepting TDAs

S NO	NAME OF GCC	DETAILSE OF WORK	VALUE Rs.in Crs.	DATE OF COMMISSION	DATE OF TDA
1	SALEM	SE/GCC/SALEMARASUR LINE	145.95	22.02.2013	28.06.2013
2	SALEM	-DO-	48.45	22.02.2013	28.06.2013
3	COIMBATORE	SE/TEDC/TURUPUR	10.50	06.03.2013	22.06.2013
4	-DO-	SE/CEDC/NORTH/CBE	7.15	06.03.2013	22.06.2013
5	-DO-	S E/EDC/ERODE	6.20	28.02.2013	22.06.2013
6	-DO-	SE/GEDC/SOUTH/CBE	0.02	17.12.2012	22.06.2013
7	-DO-	SE/CEDC/UDT	2.21	20.09.2012	22.06.2013
8	-DO-	SE/NEDC/OOTY	5.85	30.12.2012	22.06.2013
9	-DO-	SE/CEDC/METRO/CBE	0.07	20.06.2012	22.06.2013
10	-DO-	SE/PRPROJECT/CIVIL/ERODE	0.61	14.09.2012	22.06.2013
11	-DO-	SE/UEDC/UDT	5.24	11.02.2013	22.06.2013
12	-DO-	SE/UEDC/UDT	24.90	11.02.2013	22.06.2013

As seen from above though the installation of ss..etc were put to use, due to delay in sending TDAs in time Capitalisation has gone to the next year.

- 13). In certain Edcs/Gccs the closing stock value as on 31.03.2013 shows Negative balance since the process of incorporation of opening balance of TANTRANSCO Ltd as on 01.11.2010 from the accounts of erstwhile TNEB and consolidation of accounts is under the purview of the HQ.
- 14). In certain Edcs/Gccs the cash balance and bank balance as on 31.03.2013 shows Negative balance since the process of incorporation of opening balance of TANTRANSCO Ltd as on 01.11.2010 from the accounts of erstwhile TNEB and consolidation of accounts is under the purview of the HQ.
- 15). Legal charges: As per supplemental statement of account given for Audit this account showed a balance of Rs 6,48,02,778. After reversal of wrong entry noticed during the course of Audit in respect of an arbitration Award this account showed balance of Rs. 65,01,506 in the final accounts. The details for the difference in the accounts & the supplement sheet given for Audit is not made available to us.
- 16). Interest during Construction: The Company has passed an entry amounting to Rs. 269,24,85,473. being IDC to be charged. However the details of the calculation was not made available to us.
- 17). Employee Cost: The Company has passed a JV for Rs. 287.04 Crores towards pension liability for the period from 01.11.2010 to 31.03.2012 and Rs. 205.21 Crs. for the Financial year 2012-13.

2. Attention also is invited to the following notes as stated in Note No. 2 to the accounts of the Company:

Non Compliance of Accounting Standards

- i) Valuation in respect of 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 ascertained in the absence of details.
- ii) Accounting of prior period income and expenses is not complying with Accounting standard – 5 “Net profit or loss for the period, prior period items and changes in accounting policies”.
- iii) 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 - “Depreciation accounting”.
- iv) Since the assets are transferred at provisional value, the same is not in line with the capitalization of assets under Accounting standard – 10 “Accounting for fixed assets”.
- v) 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 “Employee benefits”, the effects of which is not ascertained in the absence of latest actuarial valuation report.
- vi) No provision is made for deferred taxation as per Accounting standard – 22 “Accounting for taxes on income”.

- vii) Pending final completion of transfer of assets from TNEB, the impairment of assets has not been recognized as per Accounting standard – 28 “Impairment of assets”.
- 3. 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;
- 4. In our opinion and to the best of our information and to the explanations given to us, subject to :-
 - a. Note No.1 of Notes to Accounts part- II on Difference in share capital which is subject to reconciliation.
 - b. Note No.4 of Notes to Accounts part- II on provisional transfer of Assets under the scheme and the same may change after the finalisation of the entire reorganisation of the erstwhile TNEB and non-finalisation of Fixed Assets Register.
 - c. Note No.5 of Notes to Accounts part- II on confirmation for the secured loans, Sundry creditors, Sundry debtors and Loans, Advances and Deposits.
 - d. 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 the same has not been made.
 - e. Note No.7 of Notes to accounts Part II on Inter Unit Accounts value of Rs. 102.26 Crs. which is subject to reconciliation.
 - f. Note No.13 of Notes to Accounts Part II on Terminal Benefits has been provided but not as per Accounting Standards.
 - g. Note No. 18 of Notes to Accounts Part II on Adjustments 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.
- 5. The balance Sheet and Profit and Loss account are not prepared as per Revised Schedule VI of the Companies Act 1956.
- 6. Depreciation rates adopted by the Company is as per the TNERC's Regulation.
- 7. Assets of the Company are not subjected to insurance which is normally done by similar Companies.
- 8. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, since General Ledger, Parties Ledger and other Ledgers normally maintained by the company is not available for perusal we are not in a position to comments whether proper of account as required by law have been kept by the Company.

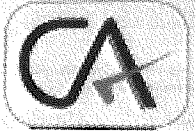
- c) The Balance Sheet and Revenue Account dealt with by this Report are in agreement with the monthly accounts maintained by the Company.
- d) In our opinion the balance sheet and Revenue Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sec 211 (3C) of the Companies Act 1956 , subject to our report elsewhere in the report to the extent they are not inconsistent with the provisions of ESAAR, 1988 adopted by the Company, except as stated in Annexure ' A ' to this report.

For Padmanabhan Prakash & Co
Chartered Accountants
FRN:002509S

CA E.PRAKASH
(Partner)
Membership No. :019388

Place: Chennai

Date: 30th October, 2013



PADMANABHAN PRAKASH & Co

Chartered Accountants
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CHENNAI 600002

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The Annexure referred to in paragraph 1 of the Our Report of even date to the shareholders of Tamilnadu Transmission Corporation Limited on the accounts of for the year ended 31st March, 2013.

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 the best of our knowledge and belief, we state as under:

- i) (a) The transfer of assets and liabilities from the holding company from T N E B Limited is yet to be completed. According to the information and explanation given to us, the opening balance of assets and liabilities as on 01.11.2010 of this company have been determined provisionally. Hence , no records are maintained for fixed assets
- (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 holding company TNEB Limited including inventories which have been done provisionally, we are unable to comment on physical verification of the stock and adequacy of procedures followed for physical verification . Further we are of the opinion systems and procedures in the maintenance of stores ledger/records needs to be strengthened.
- 3). In our opinion and according to the information and explanation given to us, though there exists an internal control system for the purchase of inventory, fixed assets for the sale of services except for revenue accounting and cash and bank balance as given in note no. in our opinion certain systems/ controls/general controls/ information technology controls require to be strengthened/developed to make the same commensurate with the size, volume and nature of the business of the Company.
- 4) 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.
- 5). a) Based on audit procedures applied by us and information and explanation 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 the G.O. Notification No.2 dated 02.01.2012 .
- 6). The company has not accepted any deposit from the public. The provisions of section 58A & 58AA of the companies Act ,1956 and 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 being 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 service tax on 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 provident fund trust and 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 TNEB before de merger is yet to be ascertained and made available.
- 10) The company has accumulated Losses of Rs. 4031.86 crores on losses upto the year 31,.03.2012 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. 18.67 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, debenture 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 an 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 requirement of clause 4(X!!!) 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 explanation 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 basis 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 Debenture 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.

For Padmanabhan Prakash & Co
Chartered Accountants
FRN:002509S

CA E.PRAKASH
(Partner)
Membership No. :019388

Place: Chennai

Date: 30th October, 2013

**FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE
STATUTORY AUDITOR ON THE ACCOUNTS FOR 2012-13**

Sl. No. Observations of Statutory Auditors

Management's Reply

Annexure A to Audit Report

1 Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section(4A)of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order. And further subject to the following :

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| <p>1). The details of Addition to fixed assets (Account Group 10&14) made during the year could not be verified due to non-available supporting records and also regarding consequent calculation of the amount of depreciation charged to these additions.</p> | <p>The details of additions to assets are available with Operation circles as well as in General Constructions Circles for which consolidated ledger details are available in headquarters. The depreciation workings are also available in headquarters and furnished to audit.</p> |
| <p>2). The advances to staff generally show credit balance instead of debit balance.</p> | <p>In the provisional transfer scheme notified by Government of Tamilnadu vide G.O. Ms. 2 dt. 2.1.2012, the opening balances as on 31.03.2010 of erstwhile TNEB alone were given to newly formed entities. The revised opening balances based on 31.3.2010 audited accounts will be given during final transfer scheme. The same has also been mentioned in note no.4 of the balance sheet. Hence the negative balance will be set right during final transfer of assets and liabilities to the company.</p> |
| <p>3). In the absence of full details of the expenses reimbursable to Tantransco Ltd from Tangedco Ltd, the correctness or otherwise of these figures could not be ascertained in the Balance sheet.</p> | <p>The intercompany transaction details are available in both TANTRANSCO and TANGEDCO circles; however the reconciliation will be completed in Head Quarters.</p> |
| <p>4). As the balance materials issued to GCC & EDCs which are pending due to non completion of various projects, closure of</p> | <p>Circles have been instructed strictly to close the work orders as and when works are completed and put in to beneficial use.</p> |

work orders etc capitalisation of Assets could not be verified.

However the same will be ensured while finalizing 2013-14 accounts.

5). As the reconciliation has not been carried out, the correctness of the inter unit / HQ could not be ascertained.

Factual. However the same will be reconciled at Head Quarters.

6). The Liability for supply material shows debit balance instead of credit. We are informed this is due to non incorporation of opening balances from TNEB at the time of incorporation of TANTRANSCO.

In the provisional transfer scheme notified by Government of Tamilnadu vide G.O. Ms. 2 dt. 2.1.2012, the opening balances as on 31.03.2010 of erstwhile TNEB alone were given to newly formed entities. The revised opening balances based on 31.3.2010 audited accounts will be given during final transfer scheme. The same has also been mentioned in note no.4 of the balance sheet. Hence the negative balance will be set right during final transfer of assets and liabilities to the company.

7). Liability for supply of materials/works .Full details for this amount outstanding has not been made available to us. In many EDCs / GCCs this account shows debit balance.

In the provisional transfer scheme notified by Government of Tamilnadu vide G.O. Ms. 2 dt. 2.1.2012, the opening balances as on 31.03.2010 of erstwhile TNEB alone were given to newly formed entities. The revised opening balances based on 31.3.2010 audited accounts will be given during final transfer scheme. The same has also been mentioned in note no.4 of the balance sheet. Hence the negative balance will be set right during final transfer of assets and liabilities to the company.

8). Amount owing to Trangedco Ltd: We understand in most of the EDCs/GCCs Tantransco Ltd draws money to meet salary & other administrative expenses from Tangedco Ltd. The said arrangement is in accordance with the G.O. for the provisional transfers scheme of the Government of Tamil Nadu. The balance shown in the Balance Sheet is subject to reconciliation/confirmation from Tangedco Ltd.

Factual. However the same will be reconciled at Head Quarters.

9). Transmission/system operating charges etc. In Most of the EDCs / GCCs etc. month wise details were not available for verification. In certain instances this income is taken by debiting Tangedco Ltd and income is accounted. In certain other cases income entry is passed in the last day of the year.	The month wise data for income from Transmission charges, System Operating Charges etc. are available in Distribution Circles where HT invoices are raised. However Operation Circles are strictly instructed to account the same every month, in the monthly statement of accounts.
10) General Ledger; As the General Ledger is not available, the correctness or otherwise of the balances brought forward from the previous year could not be ascertained.	The updation of General Ledgers will be completed in 2013-14 financial year.
11) Capitalisation of Assets: In the case of the following GCCs there was delay in capitalisation of WIP due to the delay on account of non closure of work order and delay in sending /accepting TDAs	Circles have been instructed strictly to close the work orders as and when works are completed and put in to beneficial use. However the same will be strictly ensured while finalizing 2013-14 accounts.
13) In certain Edcs/Gccs the closing stock value as on 31.03.2013 shows Negative balance since the process of incorporation of opening balance of TANTRANSCO Ltd as on 01.11.2010 from the accounts of erstwhile TNEB and consolidation of accounts is under the purview of the HQ.	In the provisional transfer scheme notified by Government of Tamilnadu vide G.O. Ms. 2 dt. 2.1.2012, the opening balances as on 31.03.2010 of erstwhile TNEB alone were given to newly formed entities. The revised opening balances based on 31.3.2010 audited accounts will be given during final transfer scheme. The same has also been mentioned in note no.4 of the balance sheet. Hence the negative balance will be set right during final transfer of assets and liabilities to the company.
14). In certain Edcs/Gccs the cash balance and bank balance as on 31.03.2013 shows Negative balance since the process of incorporation of opening balance of TANTRANSCO Ltd as on 01.11.2010 from the accounts of erstwhile TNEB and consolidation of accounts is under the purview of the HQ.	In the provisional transfer scheme notified by Government of Tamilnadu vide G.O. Ms. 2 dt. 2.1.2012, the opening balances as on 31.03.2010 of erstwhile TNEB alone were given to newly formed entities. The revised opening balances based on 31.3.2010 audited accounts will be given during final transfer scheme. The same has also been mentioned in note no.4 of the balance sheet. Hence the negative balance will be set right during final transfer of assets and liabilities to the company.

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| <p>15). Legal charges: As per supplemental statement of account given for Audit this account showed a balance of Rs 6,48,02,778. After reversal of wrong entry noticed during the course of Audit in respect of an arbitration Award this account showed balance of Rs.65,01.506 in the final accounts. The details for the difference in the accounts & the supplement sheet given for Audit is not made available to us.</p> | <p>The actual legal fees alone has been brought in to accounts and misclassified amount charged to respective account heads.</p> |
| <p>16). Interest during Construction: The Company has passed an entry amounting to Rs. 269,24,85,473. being IDC to be charged. However the details of the calculation was not made available to us.</p> | <p>The interest during construction calculation were made as per the working instructions given in ESAAR 1985 (Electricity Supply Annual Accounts Rules) and the detailed workings are annexed after schedule 13 in the Balancesheet.</p> |
| <p>17). Employee Cost: The Company has passed a JV for R.287.04 Crores towards pension liability for the period from 01.11.2010 to 31.03.2012 and Rs.205.21 Crs. for the Financial year 2012-13.</p> | <p>The pension payments of existing pensioners of erstwhile TNEB are being paid by TANGEDCO since no segregation of pensioner's liability has been finalized in the provisional transfer scheme. The payments of pension to those who have retired from 1.11.2010 to 31.3.2013 are also made by TANGEDCO and out of which a sum of Rs.205.21 Crores (Rs.287.04 Crores for 2010-11 and 2011-12) has been recognized in the books as TANTRANSCO's share based on the number of employees ratio between the two companies.</p> |
| <p>2. Attention also is invited to the following notes as stated in Note No. 2 to the accounts of the Company: Non Compliance of Accounting Standards</p> <p>i. Valuation in respect of 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 ascertained in the absence of details.</p> | <p>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.</p> |

ii. Accounting of prior period income and expenses is not complying with Accounting standard – 5 “Net profit or loss for the period, prior period items and changes in accounting policies”.	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/income and confirms with ESAAR.
iii) 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 - “Depreciation accounting”.	Depreciation policy is adopted as per para 2.60 of ESAAR and the same has been consistently followed and declared policy of the company.
iv) Since the assets are transferred at provisional value, the same is not in line with the capitalization of assets under Accounting standard – 10 “Accounting for fixed assets”.	Factual. However the same will be set right once the final transfer of assets and liabilities are notified and incorporated in 2013-14 Accounts.
v) 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 “Employee benefits”, the effects of which is not ascertained in the absence of latest actuarial valuation report.	As per restructuring G.O. No. 100 dated 19.10.2010, the transfer of employees is provisional for a period of 3 years. However the company is in the process of appointing independent consultants to do actuarial valuation. Hence the actuarial valuation of liabilities towards pension commitments would be made along with the finalisation of employees transfer.
vi) No provision is made for deferred taxation as per Accounting standard – 22 “Accounting for taxes on income”.	The Question of deferred taxation does not arise, as TANTRANSOCO has its own share of carried forward losses from erstwhile TNEB.
vii) Pending final completion of transfer of assets from TNEB, the impairment of assets has not been recognized as per Accounting standard – 28 “Impairment of assets”.	Since the transfer of assets between the companies is provisional the issue will be analyzed and provided once the final transfer takes place.
4 In our opinion and to the best of our information and to the explanations given to us, subject to :-	
Note No.1 of Notes to Accounts part- II on Difference in share capital which is subject to reconciliation.	Factual.

Note No.4 of Notes to Accounts part- II on provisional transfer of Assets under the scheme and the same may change after the finalisation of the entire reorganisation of the erstwhile TNEB and non-finalisation of Fixed Assets Register.

Factual.

Note No.5 of Notes to Accounts part- II on confirmation for the secured loans, Sundry creditors, Sundry debtors and Loans, Advances and Deposits.

Factual. However steps will be taken to obtain the confirmations by 31.03.2014.

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 the same has not been made.

Factual.

Note No.7 of Notes to accounts Part II on Inter Unit Accounts value of Rs. 102.26 Crs. which is subject to reconciliation.

Factual. However steps are being taken to reconcile the same in 2013-14 Accounts.

Note No.13 of Notes to Accounts Part II on Terminal Benefits has been provided but not as per Accounting Standards.

As per restructuring G.O. No. 100 dated 19.10.2010, the transfer of employees is provisional for a period of 3 years. However the company is in the process of appointing independent consultants to do actuarial valuation. Hence the actuarial valuation of liabilities towards pension commitments would be made along with the finalisation of employees transfer.

Note No. 18 of Notes to Accounts Part II on Adjustments 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.

- 5 The balance Sheet and Profit and Loss account are not prepared as per Revised Schedule VI of the Companies Act 1956.

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.

- 6 Depreciation rates adopted by the Company is as per the TNERC's Regulation.

Depreciation policy is adopted as per para 2.60 of ESAAR and the same has been consistently followed and declared policy of the company.

- 7 Assets of the Company are not subjected to insurance which is normally done by similar Companies.

Factual.

The Annexure referred to in paragraph 1 of the Our Report of even date to the shareholders of Tamilnadu Transmission Corporation Limited on the accounts of for the year ended 31st March, 2013. 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 the best of our knowledge and belief, we state as under:

- 1) (a) The transfer of assets and liabilities from the holding company from T N E B Limited is yet to be completed. According to the information and explanation given to us, the opening balance of assets and liabilities as on 01.11.2010 of this company have been determined provisionally. Hence, no records are maintained for fixed assets. (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 holding company TNEB Limited including inventories which have been done provisionally, we are unable to comment on physical verification of the stock and adequacy of procedures followed for physical verification. Further we are of the opinion systems and procedures in the maintenance of stores ledger/records needs to be strengthened.

Factual. Assets registers are reconstructed in all units and updating is in progress. Physical verification of fixed assets is being carried out as a part of reconstruction of fixed assets register during the financial year.

Periodical physical verification of inventories are being done by headquarters stores verification department.

3) In our opinion and according to the information and explanation given to us, though there exists an internal control system for the purchase of inventory, fixed assets for the sale of services except for revenue accounting and cash and bank balance as given in note no. in our opinion certain systems/ controls/general controls/ information technology controls require to be strengthened/developed to make the same commensurate with the size, volume and nature of the business of the Company.	A comprehensive Information Technology package through Enterprise Resource Planning Software (ERP) will be implemented shortly.
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, expenditure and concurrent audits. However steps are being taken to strengthen the internal audit department.
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 being maintained by the Company.	Factual.
9) a) As regards contribution of GPF, the company is managing the GPF by itself and these are not deposited with provident fund trust and 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	Factual.
b) Details of disputed income tax or other statutory dues pertaining to this company which was part of TNEB before de merger is yet to be ascertained and made available.	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. 18.67 crores.	Due to shortage of funds the payments are delayed, but all the delayed dues are repaid within the period of 90 days from the original due date. Hence the amount mentioned in the Audit Report was also paid by June 2013.

TAMIL NADU TRANSMISSION CORPORATION LIMITED

REVENUE ACCOUNT FOR THE YEAR 2012-13

STATEMENT.1

Sch.	Particulars	This Year 2012-13		Previous year 2011-12	
	UNITS SOLD (in MU)	0		0	
	INCOME	(Rupees in lakhs)			
1	Revenue from Sale of power	238110		170706	
4	Revenue subsidies & Grants	0		0	
5	Other Income	3385		3780	
	Total Income "A"		241495		174486
	EXPENDITURE				
6	Purchase of power	0		0	
7	Generation of Power	0		0	
8	Repairs & Maintenance	753		798	
9	Employee costs	57989		36081	
10	Admn.& Genl.Expenses	2327		1962	
11	Depreciation & other related debits	29951		29091	
12	Interest and Finance charges	132985		138593	
	Sub Total "B"		224006		206525
	Less: Expenses capitalised:				
13	Interest & finance charges capitalised	27169		24095	
14	Other expenses capitalised	8808		8565	
	Total expenses capitalised "C"		35978		32660
	Sub Total (B) - (C)		188028		173865
15	Other Debits	627		15	
16	Extra ordinary items	0	627	232	247
	Total (D)		188655		174112
	Profit before Tax (A)-(D)		52840		374
17	Provision for income tax	-		-	
	Profit after tax		52840		374
18	Net prior period charges/Credit		29195		-374
	SURPLUS / DEFICIT		23644		0

Surplus as a percentage of the value of fixed assets of the Board in service at the beginning of the year:

2.75%

0.00%

Note: Schedule 2 and 3 relate to elementwise analysis of revenue and Average Realisation from Sale of power respectively.

M.MAHESWARI BAI
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

S.Sekkizhar
DIRECTOR/FINANCE
TANTRANSCO

S. AKSHAYA KUMAR
MANAGING DIRECTOR
TANTRANSCO

For **Padmanabhan Prakash & Co..**
Chartered Accountants
Firm No. 002509S.

(E.Prakash)
Membership No.019388

TAMIL NADU ELECTRICITY BOARD			
NET REVENUE AND APPROPRIATION ACCOUNT			STATEMENT - 2
FOR THE YEAR 2012-13			
Sl. No.	Particulars	This Year 2012-13	Previous year 2011-12
		(Rupees in Lakhs)	
1	Balance brought forward from last year	-403186	-403186
2	Surplus from Revenue Account	23644	0
3	Credits Transferred from General Reserve.	-	-
4	Appropriations -		
	i) Contributions to Reserve and Reserve Funds	-	-
	ii) Contribution to Development Fund	-	-
	Balance carried forward	-379542	-403186

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Membership No.019388

TAMIL NADU ELECTRICITY BOARD					
BALANCE SHEET AS AT 31.03.2013				STATEMENT 3	
Sch. No.	Particulars	This year as at 31st March 2013		Previous Year as at 31st March 2012	
		(Rupees)		in lakhs)	
19	NET ASSETS				
	Gross Block		1289525		1246302
	Less: Accumulated Depreciation		410276		380326
	NET FIXED ASSETS		879249		865976
21	Capital Expenditure in Progress		341570		271231
22	Assets not in use		0		0
23	Deferred Costs		0		0
24	Intangible Assets		-		-
25	Investments		0		0
	NET CURRENT ASSETS				
26	Total Current Assets	1020853		552764	
	Less: TOTAL CURRENT LIABILITIES				
27	Security Deposits from Consumers	-1		0	
28	Other Current Liabilities	1399519		743353	
	TOTAL CURRENT LIABILITIES	1399518		743353	
	NET CURRENT ASSETS		-378665		-190589
29	Subsidy Receivable from Govt.		0		0
	Deficit		379542		403186
	NET ASSETS		1221696		1349803
	FINANCED BY				
30	Borrowings for Working Capital		62743		62742
31	Payments due on Capital Liabilities		9062		6298
32	Capital Liabilities		825372		1015620
33	Funds from State Government		284092		233401
34	Contributions, Grants and Subsidies		4768		279
35	Reserves and Reserve Funds		35660		31463
	Surplus		-		-
	TOTAL FUNDS		1221696		1349803

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Chartered Accountants
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(E. Prakash)
Membership No. 019388

TAMIL NADU TRANSMISSION CORPORATION LIMITED						
REVENUE FROM TRANSMISSION CHARGES				SCHEDULE - 1		
SL No	Particulars	Tariff	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.	
	I High Tension Supply					
1	Registered factories, Textiles, Tea Estate, Software industries incl. Maint. & all other Indl. Est. and Railway Traction	IA	61.210			
2	Recognised Educational Institution, Govt. Hospitals etc	IIA	61.230			
3	Actual place of public worship	IIB	61.290			
4	Commercial and all categories of consumers not covered under H.T. Tariff IA, IB, IIA, IIB, IV and V	III	61.260			
5	Lift Irrigation and Co-operative Soc. for Agriculture	IV	61.250			
6	Supply to Pondicherry plus wheeling charges	V	61.100			
7	Supply to Other States		61.100			
8	Supply to Traders		61.105 & 6			
	Sub Total HT (A)			0		0
	II. Low Tension Supply					
9	Domestic Purposes for lights & fans, Powerload etc.	IA	61.310			
10	Huts in Village panchayats, TAHDCO etc.	IB	61.390			
11	LT Bulk supply for railway colonies plantation worker colonies, Defence colonies, police quarters	IC	61.395			
12	Public Lighting and Public Water Supply & Sewerage	IIA	61.320			
13	Recognised Educational Instn., Studios, Cinema Theatres	IIB	61.360			
14	Actual place of public worship	IIC	61.325			
15	Cottage and Tiny Industries	IIIA-1	61.330			
16	Powerloom etc.	IIIA-2	61.331			
17	Industries not covered under L.T. Tariff IIIA (including IT)	IIIB	61.340			
18	Agriculture and Govt. seed farm	IV	61.350			
19	Commercial and all other categories not covered under IA, IB, IIA, IIB, IIIA, III B and IV	V	61.370			
20	Temp. supply, Lighting and combined installation, Lavish illuminations	VI	61.371			
	Sub Total LT (B)			0		0
	Total HT and LT {A+B} (C)			0		0
21	Less: Trial Stage Revenue earned		61.400			-
	Total (E)					-
22	Electricity Tax recovery		61.501 to 61.539			
23	Meter rent/service line rentals		61.600			
24	Recoveries for theft of power/malpractice		61.700			
	SUB TOTAL (F)			0		0
25	Transmission charges		61.800	2380,60,65,582		1707,05,97,661
26	Misc. charges from consumers (Testing Fees)		61.900	49,34,418		0
	GROSS REVENUE			2381,10,00,000		1707,05,97,661
27		61.541 to	61.579			
	GRAND TOTAL		*	2381,10,00,000		1707,05,97,661

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
REVENUE SUBSIDIES AND GRANTS			SCHEDULE – 4.	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Revenue Subsidies and grants	63.100		
	i) From Government of Tamil Nadu	63.110		
	ii) Government of India	63.120		
	iii) Subsidies against Loss on account of Fire			
	Flood and Cyclone etc	63.200		
2	Hydel Swing Subsidy	63.160		
	TOTAL		0	0

OTHER INCOME			SCHEDULE – 5	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Interest on staff loans and advances	62.210 to 62.219	75,72,336	70,80,821
2	Income from Investments	62.220 to 62.239		
3	Interest on Loans & Advances to Licensees	62.240		
4	Delayed Payment Surcharges collected from consumers	62.250		
5	Interest on Advances to Suppliers/Contractors	62.260	0	2,74,90,523
6	Interest from Banks (Other than Fixed Deposit)	62.270	0	
7	Income from Trading	62.300	4,60,61,123	6,44,63,921
8	Rebate on Power Purchase Bills	62.365		
9	Income from Staff Welfare activities	62.600	1,52,755	1,70,786
10	Miscellaneous Receipts	62.900	28,46,87,342	27,87,83,303
	Total		33,84,73,556	37,79,89,354

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
PURCHASE OF POWER		SCHEDULE – 6		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Neyveli Lignite Corporation I	70.110		
2	Neyveli Lignite Corporation II	70.111		
3	Neyveli Lignite Corporation TSI - Expansion	70.112		
4	Other states (Kerala)(Short Term Open Access)	70.128		
5	Kaiga Generating Station	70.126		
6	Madras Atomic Power Station	70.130		
7	National Thermal Power Corporation	70.150		
8	N.T.P.C. Kayankulam	70.151		
9	N.T.P.C. Thalcher	70.153		
10	N.T.P.C. Eastern Region	70.154		
11	STAGE III NTPC /RSTPS SR	70.156		
12	Captive Power Plants	70.160		
13	Co-generation	70.170		
14	Wind Energy	70.190		
15	G.M.R.Power Corporation Private Limited	70.191		
16	Samalpatti Power Corporation Private Limited	70.192		
17	P P N Power generating Company Private Limited	70.193		
18	Madurai Power Corporation Private Limited	70.194		
19	STC-MS Electric Company Private Limited	70.195		
20	ABAN Power CO.	70.196		
21	Penna Electricity Ltd	70.197		
22	Power Purchase from Traders	70.600		
23	Power Trading Corporation	70.152		
24	NTPC NVVN	70.155		
25	Wheeling charges	70.400 & 70.800		
26	ABTPGCIL	70.500		
27	PGCIL Reactive account	&70.503 70.501		
	Total		0	0

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
GENERATION OF POWER		SCHEDULE – 7		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
	FUEL CONSUMPTION			
1	Coal	71.110		
2	Oil	71.120		
3	Gas	71.130		
4	Naptha	71.140 to 71.199		
5	TOTAL 1 to 4		0	
6	Other fuel related costs	71.200 to 211		
7	Shortages found on physical verification of fuel stock	71.400		
8	Excess found on physical verification of fuel stock	62.700		
9	SUB-TOTAL		0	
10	SUB-TOTAL FOR FUEL COST(5+6)		0	
	OPERATING EXPENSES			
11	Cost of Water-Hydel Power	71.501		
12	Cost of Water-Thermal Power - Gas	71.502 & 504		
13	Lubricants & consumable stores	71.600		
14	Station Supplies	71.700		
15	Sub – Total for Operating expenses (11 to 14)		0	
16	Total Cost of Generation of Power (10 + 15)		0	
17	Fuel related losses	72.100		
	TOTAL (16+17)		0	0

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
REPAIRS AND MAINTENANCE		SCHEDULE – 8		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
	Repairs and Maintenance to:			
1	Plant & Machinery	74.110	5,21,42,533	3,64,47,603
2	Buildings	74.210	1,58,315	8,36,908
3	Civil Works	74.310	18,63,029	29,17,964
4	Hydraulic Works	74.410	6,950	-
5	Lines, Cables & Networks etc.	74.510	1,63,58,302	3,42,47,967
6	Vehicles	74.600	31,24,433	37,40,997
7	Furniture & Fixtures	74.701	24,200	18,245
8	Office Equipments	74.801	16,67,635	16,25,383
	TOTAL		7,53,45,397	7,98,35,067

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
EMPLOYEE COST		SCHEDULE – 9		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Salaries	75.100	185,95,18,457	182,92,06,594
2	Overtime	75.200	1,30,52,156	5,37,13,073
3	Dearness Allowance	75.300	132,40,64,659	103,71,58,438
4	Other Allowance	75.400	14,36,62,700	14,87,56,325
5	Bonus	75.500	6,16,35,584	5,47,22,053
	Sub-Total (1 to 5)		340,19,33,556	312,35,56,483
6	Medical Expenses Reimbursement	75.611	33,12,500	36,92,081
7	Leave Travel Assistance	75.612	2,89,795	5,11,607
8	Earned Leave Encashment	75.617	20,15,06,274	19,85,89,933
9	Payment Under Workmen's Compensation Act	75.629	0	
	Sub-Total:Other Staff Costs(6 to 9)		20,51,08,569	20,27,93,621
10	Staff Welfare Expenses	75.700	11,04,930	19,68,973
11	Terminal Benefits	75.800	214,45,99,543	22,06,34,506
12	Board's Contribution to CPS	75.870	4,61,06,456	5,91,08,512
13	Other staff costs	75.600-610		
14	Thermal/Performance/Commissioning /Golden Jubilee Incentive	75.503-510		
	SUB TOTAL (10 to 12)		219,18,10,929	28,17,11,991
	Grand Total		579,88,53,054	360,80,62,095

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
ADMINISTRATION AND GENERAL EXPENSES			SCHEDULE -10	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Rent/Rates and Taxes	76.101,103	87,72,829	43,53,958
2	Insurance	76.104,106,107	7,00,574	3,68,433
3	Insurance(1%on the Assets of generation stations)	76.109		
4	Telephone/Postage/Telegram/Telex charges	76.111 to 119	1,15,80,894	88,97,787
5	Legal Charges	76.120,121	65,01,506	12,97,429
6	Audit Fees	76.122	5,00,000	3,50,000
7	Consultancy Charges	76.123	54,69,851	9,81,762
8	Technical Fees	76.124	2,57,602	0
9	Other Professional Charges	76.125,126 & 129	3,34,671	2,62,509
10	Conveyance & Travel	76.131 to 140	10,94,69,808	8,74,38,133
	Sub-Total		14,35,87,735	10,39,50,011
	OTHER EXPENSES			
1	Fuel for operating machines	76.108	0	
2	Fees & Subscription	76.151	1,55,163	21,75,581
3	Books & Periodicals	76.152	39,601	67,208
4	Printing & Stationery	76.153	52,16,827	61,39,988
5	Training Expenses	76.154	3,04,583	20,12,832
6	Advertisement Expenses	76.155	6,88,496	8,31,642
7	Subscriptions/Contributions to Books & Periodicals	76.157	0	
8	Electricity Charges	76.158	47,19,546	36,19,921
9	Water Charges	76.160	13,61,225	23,37,776
10	Entertainment/Recreations for employees	76.162	0	3,77,393
11	Watch and Ward Expenses.	76.163	5,01,35,544	3,15,01,872
12	Petty Office Maintenance Expenses.	76.164	67,06,193	69,69,033
13	Miscellaneous Expenses	76.190	28,09,028	58,68,935
	Sub-Total		7,21,36,206	6,19,02,181
14	Freight	76.210 to 240	1,27,27,821	92,23,953
15	Other Purchase related Expenses.	76.270 to 281	14,33,329	14,38,927
16	Honorarium (Food Allwo.) for SO in Chennai	76.194		
17	Reward for theft of energy/Spl reward vigilance	76.127 & 76.128 76.200-76.209	0	
	Registrar of Companies	76.300 to 899	28,58,136	1,96,56,500
18	Fringe Benefit Tax	76.193	0	
	Sub-Total		1,70,19,286	3,03,19,380
	GRAND TOTAL		23,27,43,227	19,61,71,572

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
DEPRECIATION AND RELATED DEBITS(NET)			SCHEDULE -11	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Depreciation	77.100,200	299,51,35,264	290,91,03,643
2	Asset decommissioning costs	77.500		
3	Small and low value items	77.600		
4	Sub-Total (1 to 3)		299,51,35,264	290,91,03,643
5	Written down value of assets scrapped	77.710		
6	Write off of deficits of fixed assets observed upon Physical verification	77.720		
7	Loss on sale of Fixed assets	77.730		
8	Others	77.300 to 77.499		
9	Sub-Total (5 to 8)		0	0
10	Total Debits (4+9)		299,51,35,264	290,91,03,643
11	LESS: Gain on sale of Assets.	62.400		
	TOTAL		299,51,35,264	290,91,03,643

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
INTEREST AND FINANCE CHARGES			SCHEDULE -12.	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Interest on State Govt. Loan	78.100		
2	Interest on bonds	78.200	130,01,65,876	139,64,10,776
3	Interest on Debentures	78.300		
4	Interest on Foreign Currency Loans/credits	78.400		
5	Interest on other Loans/Deferred credits	78.500	1155,84,53,243	1228,24,79,583
6	Penal Interest in respect on Capital liabilities	78.591 to 78.599	11,31,70,823	
7	Interest on Security deposit from consumers	78.600		
8	Interest on MCD	78.610		
	TOTAL INT.ON CAPITAL LIABILITIES		1297,17,89,942	1367,88,90,359
9	Interest on borrowings for Working Capital	78.700		0
	OTHER INT.& FINANCE CHARGES			
10	Other Interest and Finance Charges	78.820 to 839		
11	Interest on Hydro Balancing Fund	78.841 to 845		
12	Interest on General provident Fund	78.852	19,70,78,501	15,41,81,229
13	Other Interest	78.853 to 860	3,80,68,659	2,51,38,541
14	Cost of raising finance	78.861 to 873	0	6,44,262
15	Other Bank Charges/Penal int for E.tax	78.874 to 883	3,78,983	4,86,416
16	Guarantee commission to State Government	78.884 to 899	9,12,00,000	
	TOTAL		1329,85,16,085	1385,93,40,807

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
INTEREST AND FINANCE CHARGES CAPITALISED			SCHEDULE-13	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
	INTEREST CHARGES CAPITALISED			
1	Normal Interest Capitalised	78.910	2,44,59,718	2,22,27,158
2	Interest during Construction stage	78.900	269,24,85,473	238,72,78,749
	TOTAL		271,69,45,191	240,95,05,907

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
OTHER EXPENSES CAPITALISED			SCHEDULE-14	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Repair and Maintenance Capitalised	74.900	63,37,965	1,33,90,001
2	Employee cost Capitalised	75.900	65,71,09,614	69,32,79,745
3	Fabrication charges added to the stock	76.282		14,000
4	Administration and General Expenses Capitalised	76.900	21,56,51,962	13,60,51,471
5	Depreciation and other related costs capitalised	77.900	17,27,327	67,94,946
6	Other debits capitalised	79.900		69,73,419
7	Capitalisation of cost of gen.during Trial stage	71.900		
	TOTAL		88,08,26,868	85,65,03,582

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
OTHER DEBITS			SCHEDULE -15.	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Material Cost Variance	79.100	0	0
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	6,27,40,288	14,67,015
5	Sundry Expenses/Rebate on SOP/Tr.charges	79.700/ 79.610	0	
6	Intangible asset written off	79710		
7	Provision for Hydro Balancing Fund	79750		
	TOTAL		6,27,40,288	14,67,015

WORKING OF INTEREST DURING CONSTRUCTION			
Particulars based on	(Rupees in thousand)		
	ACS	BNA	
1.(a) and (b)			
Net Assets shown in Balance Sheet	12,21,69,522		
Asset at Constrn. Stage as per schedule 21 (prior to charging IDC)	3,14,64,483	3,14,64,483	9,07,05,039
2. Reducing of ACS due to excess } Liab. over stores & Payment. }			
Liab. for Cap. Supply and Works schedule 28 item 3 A	39,84,338		
Current Assets Cap. Stores schedule 26 a item 4 1	25,34,825		
Adv. for Cap. Supply schedule 21 item 6 2	11,63,388		
B(1+2)	36,98,214		
As 'B' is more than 'A' no reduction is necessary			
3. BNA includes current Assets/ Liabilities 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	906173		
Loan having int. holiday and other int. free Liab. sch. 34	0		
Reserve Funds			
Reserve Fund Sch. 35	31,00,406		
Reserves	4,65,568		
Int. bearing Cap. Liab. Sch. 32	8,25,37,184		
Consumer contribution & grants towards cost of capital assets	4,76,767		
Equity sch. 33	2,84,09,204		
Total	12,21,69,522		
TALLY WITH TOTAL ASSET SIDE	12,21,69,522		
Adjustment to ACS & BNA based on para 5	12,21,69,522	3,14,64,483	9,07,05,039
5. a. Deducting borrowing for working capital and payment due on Cap. liabilities from BNA	62,74,220		62,74,220
SUBTOTAL (5-5a) I	11,58,95,302	3,14,64,483	8,44,30,820
5.b. Payments due on Capital Liabilities	0		0
5.c. Int. free Loans, int. holiday Funds } spread over ACS & BNA }	0	0	0
SubTotal I-5.c II	11,58,95,302	3,14,64,483	8,44,30,820
5.d. Investment against funds	0	0	0
5.e. Determination of own Funds:			
1 Reserves fund over Investment	31,00,406		
2 Reserves	4,65,568		
3 Equity Share Capital	2,84,09,204		
4 Consumer contribution & grants towards cost of capital assets	4,76,767		
SUBTOTAL (5e(1+2+3+4)) III	3,24,51,945	83,57,925	2,24,27,397
Net Total II-III	8,34,43,357	2,31,06,558	6,20,03,423
6. BNA AND ACS MATCHED WITH INT. BEARING LIAB.			
7. Averaging ACS & BNA on OB & CB.		ACS	BNA
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	8,51,09,981	2,31,06,558	6,20,03,423
AVERAGE VALUE OF ACS & BNA	9,72,38,633	2,01,83,306	7,70,55,327
8. Int. payable on Cap. Liab. as per Sch. 12	1,29,71,790	26,92,485	1,02,79,304
THEREFORE IDC TO BE CHARGED		Rs. 269,24,85,473	

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
EXTRA ORDINARY ITEMS			SCHEDULE-16	
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 2012-13 Rs.	Previous year 2011-12 Rs.
1	Extra-ordinary credits (including subsidies against loss on account of flood, fire cyclone etc.,)	63.200		
	Total credits			
2	Extra-ordinary debits (including subsidies against loss on account of flood, fire cyclone etc.,)	79.800	0	2,31,83,137
	TOTAL DEBITS		0	2,31,83,137
3	Extra Ordinary items (Net)		0	2,31,83,137

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
PROVISION FOR INCOME TAX			SCHEDULE -17	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Provision for income tax	46.800	-	-
	TOTAL		-	-

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
NET PRIOR PERIOD CREDITS/CHARGES			SCHEDULE -18	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Income relating to previous year			
a.	Fuel related gains	65.100		
b.	Receipts from consumers	65.200	3,73,85,957	2,78,875
c.	Interest Income	65.400	6,31,539	1,06,81,350
d.	Excess provision for I.T.	65.500	2,92,945	14,78,270
e.	Excess provision for Depreciation	65.600		98,93,031
f.	Excess provn. for Int.& Fin.charges	65.700	9,14,47,946	1,98,64,226
g.	Other excess provision	65.800	1,52,63,090	76,28,278
h.	Other income	65.900	10,16,47,747	2,27,43,272
	Total		24,66,69,224	7,25,67,302
2	Prior Period Expenses/losses			
a.	Short provision for power purchase	83.100		
b.	Fuel related losses and expenses	83.200		
c.	Operating expenses	83.300	19,425	
d.	Material related expenses	83.400	41,495	
e.	Employees cost	83.500	290,06,03,540	9,48,95,118
f.	Depreciation under provided	83.600		19,86,446
g.	Interest & Finance charges	83.700	13,46,44,363	4,48,577
h.	Other charges	83.800	13,08,87,336	1,26,70,329
	Total		316,61,96,159	11,00,00,470
3	Net Prior period credits (A/C Code 65)		0	0
	Net Prior period charges (A/C Code 83)		291,95,26,935	3,74,33,168

TAMIL NADU TRANSMISSION CORPORATION LIMITED						
FIXED ASSETS AND PROVISION FOR DEPRECIATION GROSS BLOCK					SCHEDULE -19	
SL	Asset Group	Account Code No	At the end of Previous Year 2011-12 Rs.	Additions during 2012-13 Rs.	Deductions during 2012-13 Rs.	At the end of the year 31.03.2013 Rs.
1	Land and Land rights	10.100	2867,00,15,187 (28,668,835,775)	11,11,10,905 (1,179,412)	0	2878,11,26,092 (28,670,015,187)
2	Buildings	10.200	330,81,77,476 (3,194,089,021)	7,20,15,373 (114,157,495)	1,39,290 (69,040)	338,00,53,559 (3,308,177,476)
3	Hydraulic works	10.300	2,23,26,311 (22,365,636)	1,66,915	(39,325)	2,24,93,226 (22,326,311)
4	Other civil works	10.400	121,79,27,667 (1,165,185,647)	3,45,41,933 (53,061,818)	7,97,871 (319,798)	125,16,71,729 (1,217,927,667)
5	Plant & Machinery	10.500	4161,03,93,310 (40,788,631,174)	230,30,22,421 (841,080,216)	1,16,44,409 (19,318,080)	4390,17,71,322 (41,610,393,310)
6	Lines & Cables Network	10.600	4867,08,00,172 (47,946,251,239)	181,21,42,835 (724,697,593)	65,203 (148,660)	5048,28,77,804 (48,670,800,172)
7	Vehicles	10.700	25,25,19,479 (251,900,517)	55,234 (991,012)	18,740 (372,050)	25,25,55,973 (252,519,479)
8	Furniture & Fixtures	10.800	20,77,87,706 (207,760,274)	3,96,185 (83,926)	7,445 (56,494)	20,81,76,446 (207,787,706)
9	Office Equipment	10.900	66,95,74,887 (669,606,424)	15,89,866 (85,328)	69,645 (116,865)	67,10,95,108 (669,574,887)
	Sub-Total		12462,95,22,195 (122,914,625,707)	433,50,41,667 (1,735,336,800)	1,27,42,603 (20,440,312)	12895,18,21,259 (124,629,522,195)
10	Capital Expenditure Resulting in an asset not belonging to the Board	11.100	6,31,617 (631,617)		0 (0)	6,31,617 (631,617)
11	Spare Units	11.200				0
12	Capital Spares at Generating Station	11.300				0
13	Assets taken over from Licencees pending Final Valuation	11.400				0
14	Leased Assets	11.700				0
	TOTAL		6,31,617 (631,617)	0 (0)	0 (0)	6,31,617 (631,617)
	GRAND TOTAL		12463,01,53,812 (122,915,257,324)	433,50,41,667 (1,735,336,800)	1,27,42,603 (20,440,312)	12895,24,52,876 (124,630,153,812)

Note: Figures shown in brackets relates to previous year.

TAMIL NADU TRANSMISSION CORPORATION LIMITED						
FIXED ASSETS AND PROVISION FOR DEPRECIATION					SCHEDULE -19	
DEPRECIATION						
SL	Asset Group	Account Code No	At the end of Previous Year 2011-12 Rs.	Additions during 2012-13 Rs.	Deductions during 2012-13 Rs.	At the end of the year 31.03.2013 Rs.
1	Land and Land rights	12.100	0			0
2	Buildings	12.200	50,74,43,757 (451,075,645)	5,86,32,967 (56,430,248)	(62,136)	56,60,76,724 (507,443,757)
3	Hydraulic works	12.300	62,74,037 (5,728,806)	5,50,141 (546,972)	(1,741)	68,24,178 (6,274,037)
4	Other civil works	12.400	19,97,81,404 (180,722,948)	2,09,86,393 (19,346,274)	(287,818)	22,07,67,797 (199,781,404)
5	Plant & Machinery	12.500	1751,17,93,300 (16,121,940,800)	145,93,48,803 (1,407,238,772)	3,060 (17,386,272)	1897,11,39,043 (17,511,793,300)
6	Lines & Cables Network	12.600	1918,30,07,151 (17,805,646,611)	139,06,09,989 (1,377,494,334)	98,850 (133,794)	2057,35,18,290 (19,183,007,151)
7	Vehicles	12.700	24,61,79,285 (246,514,130)	1,82,26,246	16,866 (334,845)	26,43,88,665 (246,179,285)
8	Furniture & Fixtures	12.800	13,60,51,165 (123,402,216)	1,03,31,281 (12,699,794)	1,120 (50,845)	14,63,81,326 (136,051,165)
9	Office Equipment	12.900	24,14,60,807 (204,270,187)	3,64,15,527 (37,295,798)	17,681 (105,178)	27,78,58,653 (241,460,807)
	Sub-Total		3803,19,90,906 (35,139,301,343)	299,51,01,347 (2,911,052,192)	1,37,577 (18,362,629)	4102,69,54,676 (38,031,990,906)
10	Capital Expenditure Resulting in an asset not belonging to the Board	13.100	5,91,225 (553,328)	(37,897)		5,91,225 (591,225)
11	Spare units	13.200	0 (0)	37,829	(0)	37,829
12	Capital Spares at Generating Station	13.300				0
13	Assets taken over from Licencees pending Final Valuation	13.400				0
14	Leased Assets	13.700				0
	TOTAL		5,91,225 (553,328)	37,829 (37,897)	0 (0)	6,29,054 (591,225)
	GRAND TOTAL		3803,25,82,131 (35,139,854,671)	299,51,39,176 (2,911,090,089)	1,37,577 (18,362,629)	4102,75,83,730 (38,032,582,131)

Note: Figures shown in brackets relates to previous year.

Note: Figures shown in brackets relates to previous year.

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
FIXED ASSETS AND PROVISION FOR DEPRECIATION				SCHEDULE -19
NET BLOCK				
SL NO	Asset Group	Account Code No	At the end of Year 31.03.2013 Rs.	At the end of the year 31.03.2011 Rs.
1	Land and Land rights	10.100	2878,11,26,092 (2867,00,15,187)	2867,00,15,187 (28,668,835,775)
2	Buildings	10.200	281,39,76,835 (280,07,33,719)	280,07,33,719 (2,743,013,376)
3	Hydraulic works	10.300	1,56,69,048 (1,60,52,274)	1,60,52,274 (16,636,830)
4	Other civil works	10.400	103,09,03,932 (101,81,46,263)	101,81,46,263 (984,462,699)
5	Plant & Machinery	10.500	2493,06,32,279 (2409,86,00,010)	2409,86,00,010 (24,666,690,374)
6	Lines & Cables Network	10.600	2990,93,59,514 (2948,77,93,021)	2948,77,93,021 (30,140,604,628)
7	Vehicles	10.700	11,832,692 (63,40,194)	63,40,194 (5,386,387)
8	Furniture & Fixtures	10.800	6,17,95,120 (7,17,36,541)	7,17,36,541 (84,358,058)
9	Office Equipment	10.900	39,32,36,455 (42,81,14,080)	42,81,14,080 (465,336,237)
	Sub-Total		8792,48,66,583 (8659,75,31,289)	8659,75,31,289 (87,775,324,364)
10	Capital Expenditure Resulting in an asset not belonging to the Board	11.100	40,392 -(40,392)	40,392 (78,289)
11	Spare units	11.200	-37,829 (0)	0 (0)
12	Capital Spares at Generating Station	11.300	0 (0)	0 (0)
13	Assets taken over from Licencees pending Final Valuation	11.400	0 (0)	0 (0)
14	Leased Assets	11.700	0 (0)	0 (0)
	TOTAL		8792,48,69,146 (8659,75,71,681)	8659,75,71,681 (87,775,402,653)
Note: Figures shown in brackets relates to previous year.				

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
CAPITAL EXPENDITURE IN PROGRESS			SCHEDULE – 21	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Capital work in progress	14&18	2899,88,58,406	2171,58,45,731
2	Contract in progress	15.1		
	SUB-TOTAL		2899,88,58,406	2171,58,45,731
3	Revenue Expenses pending allocation over capital works	15.2	397,17,67,994	422,75,76,472
4	Provision for completed work	15.5	2,19,77,154	2,19,77,154
5	Construction facilities	15.6	9,76,608	9,76,608
	Assets at construction stage (1 to 5)		3299,35,80,162	2596,63,75,965
6	Advances for suppliers/Contractors (Capital)	25.100 to 25.900	116,33,88,266	115,67,01,426
	TOTAL TOTAL		3415,69,68,428 -	2712,30,77,391 -
Note: - Under the standard rate based valuation, certain fast moving items of stores are charged to works at their standard rates and not at actual cost. For the year as a whole, the variance between the standard rate and the actual cost is transferred to Material Cost Variance A/C. The balance in the MCV A/C at the year end will be transferred to MCV Reserve. For the current year MCV A/C shows excess of actual over the standard cost to the extent of Rs.0.00 lakhs on the total purchases of materials .(for use for both capital and O&M) - Contracts in progress represents the portion of interim payments made to contractors for Capital works executed. Capital works to the tune of Rs.282.36 cr is in progress. The title of the assets is to pass on to the Board only upon completion of the contract. - Depreciation on construction facilities charged during the year is NIL.				

TAMIL NADU TRANSMISSION CORPORATION LIMITED								
ASSETS NOT IN USE				SCHEDULE -22				
Balance in the beginning of the year 1.4.2011 Rs.	Addition during the year 2011-12 Rs.	Deductions during the year 2011-12 Rs.	Sl. No. Asset Group	Account Code	Balance in the beginning of the year 1.4.2012 Rs.	Addition during the year 2012-13 Rs.	Deductions during the year 2012-13 Rs.	Balance at the end of the year 31.03.2013 Rs
	2,23,824	2,14,107	1 Written down Value of obsolete scrapped Assets	16.100	9,717	2,19,367	2,20,425	8,659
0	2,23,824	2,14,107	Total		9,717	2,19,367	2,20,425	8,659

TAMIL NADU TRANSMISSION CORPORATION LIMITED								
DEFERRED COSTS				SCHEDULE-23				
Balance in the beginning of the year 1.4.2011 Rs.	Cost deferred during the year 2011-12 Rs.	Cost charged to Revenue during the year 2011-12 Rs.	Sl. No. Asset Group	Account Code	Balance in the beginning of the year 1.4.2012 Rs.	Cost deferred during the year 2012-13 Rs.	Cost charged to Revenue during the year 2012-13 Rs.	Balance at the end of the year 31.03.2013 Rs
			1 Deferred Revenue Expr compensation for premature take over of licensee	17.200				
			2 Total Deferred Revenue expr.	17.221				
0	0		3 Expenditure on survey/feasibility studies of projects not yet sanctioned	17.300	0	17,300	17,300	0
0	0	0	Total	0	17,300	17,300	0	0

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
TOTAL CURRENT ASSETS			SCHEDULE -26	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Stocks	26(a)	444,39,70,770	367,53,30,820
2	Receivables against supply of power	26(b)	5207,82,09,365	2130,61,51,979
3	Cash and Bank Balances	26(c)	42,51,93,586	46,45,04,573
4	Loans and Advances	26(d)	10,19,51,775	9,34,31,666
5	Sundry Receivables	26(e)	4401,33,50,093	2960,39,65,359
	TOTAL		10106,26,75,589	5514,33,84,397
6	Inter Unit Balance		102,26,33,257	13,29,92,571
	TOTAL		10208,53,08,846	5527,63,76,968

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
STOCKS			SCHEDULE -26(A)	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Fuel Stocks - Coal	21.101		
	Fuel Stocks - Oil	21.105		
2	Coal in Transit	21.121		
3	Coal Shortages to be written off	21.130		
4	Stock of materials at construction stores	22.60 & 22. 61	253,48,25,265	161,33,10,056
5	Stock of Materials at other stores	22.62 & 22. 63	-123,932,081	-5,911,320
	stores	22.63		
6	Materials at site	22.64 & 22.65		0
7	Materials pending Inspection	22.66 & 22.67	-15,981,441	-14,220,248
8	Materials in Transit	22.68 & 22.69		
9	Other Materials accounts	22.7	204,90,59,027	204,37,42,575
10	Fuel Stock Excess/shortages pending Investigation	21.2		
11	Materials stock Excess/Shortages pending Invgn.	22.8	0	3,84,09,757
	TOTAL		444,39,70,770	367,53,30,820

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
RECEIVABLES AGAINST SUPPLY OF POWER			SCHEDULE -26(B)	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Sundry Debtors for Sale for Power	23.1	5206,76,55,218	2130,61,51,979
2	Sundry debtors for Inter state sale of power	23.6	1,05,54,147	
3	Sundry debtors for Electricity Tax	23.2		
4	Provision for unbilled Revenue	23.4	0	
5	Sundry Debtors for sale of power to traders	23.121 to 129		
5	Dues from permanently disc.consumers (net of SD forfeited)	23.5		
6	Sundry Debtors-Miscellaneous Receipts from consumers	23.7		
7	Other Receivables	23.8		
	SUB-TOTAL		5207,82,09,365	2130,61,51,979
8	Less: Provision for doubtful dues from consumers	23.9		
	TOTAL		5207,82,09,365	2130,61,51,979

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
CASH AND BANK BALANCES			SCHEDULE -26(C)	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Cash on hand	24.1	5,75,88,700	3,98,04,424
2	Cash Imprests with staff	24.2	-26,323,126	4,58,38,910
3	Balance with Banks:			
	Collection Account	24.3	22,30,72,566	9,88,40,530
4	Drawing Account	24.4	16,25,88,446	15,21,68,165
5	Cash in Transit	24.5& 24.6	82,67,000	12,78,52,544
	TOTAL		42,51,93,586	46,45,04,573

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
LOANS AND ADVANCES			SCHEDULE -26(D)	
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Advance for O&M Supplies/Works	26.1 to 26.7	2,02,581	-206,468
2	Advance for Fuel Supplies	26.8		
	Sub-Total (1 & 2)		2,02,581	-206,468
3	Loans and Advances to Staff	27.1&27.2	9,99,96,248	9,17,88,868
4	Loans and Advances to Licensees	27.3		
5	Advance Income Tax/deduction at source	27.4	17,52,946	18,49,266
6	Central Payment Control Account	27.5		
7	Loans and Advances	27.8		
	Sub-Total (3 to 7)		10,17,49,194	9,36,38,134
8	Less Provision for doubtful Loans and Advances	27.9		
	TOTAL (1 to 7 (-) 8)		10,19,51,775	9,34,31,666

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
SUNDRY RECEIVABLES		SCHEDULE – 26(E)		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Sundry Debtors/Trading account	28.100	-4,929,549	6,44,61,076
2	Income accrued and due on Investments	28.210 to 240		0
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	4,47,884	9,02,374
6	Fuel related receivable and claims.			
	Grade difference of	28.511&	0	
	coal (Net provision for loss on grade difference)	28.512	0	
7	Railway claim for Coal	28.513 & 514	0	
8	Other Accounts	under 28.500	0	
9	Other claims and Receivables and Deposits	28.700 - 28.899	4401,05,88,226	2953,92,81,020
		28.900	72,43,532	-679,111
	TOTAL		4401,33,50,093	2960,39,65,359

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
SECURITY DEPOSITS FROM CONSUMERS		SCHEDULE – 27		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Security Deposits from Consumers (in cash)	48.1	-149,279	
2	Security Deposits from Consumers (other than in cash)	48.2	0	
3	Interest Payable on Consumer's Deposits	48.3	0	
4	Interest Payable on MCD	48.4	0	
	TOTAL		-149,279	0

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
OTHER CURRENT LIABILITIES		SCHEDULE – 28		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Other Fuel related Liabilities, Un-paid Coal bill & liab.	40.000		
2	Liability for Purchase of power	41.100		
3	Liability for Capital Supplies/works	42.100	398,43,37,939	315,28,28,324
4	Liability for O&M supplies/works	43.1,43.2 & 300	2,04,80,403	1,72,29,522
5	Staff related liabilities and provisions	44.1 to 44.4	71,24,53,703	60,78,43,722
6	Deposits & Retention from Suppliers and Contractors (net of Deposits recd.in the form of Investment etc.)	46.100& 200	237,63,08,476	227,78,87,216
7	Electricity duty and other levies payable to Government	28.930	0	
8	Liability for Expenses	46.300	1,14,749	1,93,888
9	Amount owing to Licensees	46.400	6,32,30,416	4,43,73,991
10	Accrued/unclaimed Amounts relating to Borrowing	46.600	13202,26,17,323	6756,64,05,048
11	Provision for Income Tax	46.700	-159,497,023	-171,259,408
12	Other Liabilities and provisions	46.800	0	
13	Tariff subsidy received in advance (relating to succeeding year)	46.9&991	4,13,58,745	1,89,54,138
14	Excess Tariff subsidy to be adjusted in future subsidy	46.990	0	
	SUB-TOTAL	46.992	13906,14,04,731	7351,44,56,441
15	Deposits for Electrification/Service connection etc.	47.000	89,05,37,732	82,08,33,298
	TOTAL		13995,19,42,463	7433,52,89,739

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
SUBSIDY RECEIVABLE FROM GOVERNMENT		SCHEDULE – 29		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 Rs.
1	Capital Subsidy/Grant Receivable	28.61		
2	Revenue Subsidy/Grant Receivable	28.62	0	
	TOTAL		0	0

TAMIL NADU TRANSMISSION CORPORATION LIMITED				
BORROWING FOR WORKING CAPITAL		SCHEDULE -30		
SL No	Particulars	Account Code	This year 2012-13 Rs.	Previous year 2011-12 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
	TOTAL		627,42,19,648	627,42,19,648

TAMIL NADU TRANSMISSION CORPORATION LIMITED									
PAYMENT DUE ON CAPITAL LIABILITIES					SCHEDULE-31				
Due at the beginning of the previous year 1.4.2011 Rs.	Becoming due during the previous year 2011-12 Rs.	Payments made during the previous year 2011-12 Rs.	Sl. No.	Asset Group	Account Code	Due at the beginning of the year 1.4.2012 Rs.	Becoming due during the year 2012-13 Rs.	Payment made during 2012-13 Rs.	Due at the end of the year 31.03.2013 Rs.
			I	Principal accrued and due on Capital Liabilities.					
-	221,52,80,000	221,52,80,000	1	TNEB Bonds	51.150	-			-
-	65,99,05,333	46,32,05,995	2	LIC	51.101	19,66,99,338	60,32,05,343	63,32,38,681	16,66,66,000
-	142,14,57,971	142,14,57,971	3	REC	51.113	0	313,34,57,788	313,34,57,788	0
-			4	New India Assurance	51.126	0	9,45,73,205	9,45,73,205	0
-			5	RGGY	51.171	0			-
-	769,27,65,065	769,27,65,065	6	Power Finance Corpn.	51.116	0	523,82,59,950	523,82,59,950	-
-	871,01,94,613	871,01,94,613	7	Tamil Nadu POWERFIN	51.129	0	673,58,68,151	673,58,68,151	0
-			8	Lease Finance TNPFC	51.134	0			-
-			9	ICICI	51.161	0			-
-			10	Nabard	51.114	0			-
-	99,29,87,325	74,41,12,463	11	Hudco	51.166	24,88,74,862	83,24,73,166	106,13,30,691	2,00,17,337
-	1154,31,55,555	1154,31,55,555	12	Medium term loan	51.164	0	950,14,55,555	950,14,55,555	-
-	3323,57,45,862	3279,01,71,662	Total repayment of Loan (A)			44,55,74,200	2613,92,93,158	2639,81,84,021	18,66,83,337

TAMIL NADU TRANSMISSION CORPORATION LIMITED									
PAYMENT DUE ON CAPITAL LIABILITIES					SCHEDULE-31				
Due at the beginning of the previous year 1.4.2011 Rs.	Becoming due during the previous year 2011-12 Rs.	Payments made during the previous year 2011-12 Rs.	Sl. No.	Asset Group	Account Code	Due at the beginning of the year 1.4.2012 Rs.	Becoming due during the year 2012-13 Rs.	Payment made during 2012-13 Rs.	Due at the end of the year 31.03.2013 Rs.
			II	Interest accrued and due on 51.201 to 51.299					
-			a)	ICICI	51.261	-			-
-	180,21,58,292	180,21,58,292	b)	REC	51.213	-	251,80,55,188	251,80,55,188	0
-	147,08,43,475	147,08,43,475	c)	TNEB Bonds	51.250	-	130,18,49,000	130,18,49,000	-
-	38,93,92,417	20,51,49,594	d)	LIC	51.201	18,42,42,823	37,94,17,094	40,74,12,834	15,62,47,083
-	81,57,33,505	81,57,33,505	e)	PFC	51.216	-	52,23,30,678	52,23,30,678	-
-			h)	RGY	51.271	-			-
-	228,59,45,910	228,59,45,910	f)	TNPFC	51.229	-	216,66,63,185	216,66,63,185	0
-			g)	New India Assurance	51.226	-	0		0
-			h)	Lease Rent TNPFC	51.234	-			-
-			i)	PMGY	51.270	-			-
-	590,29,20,889	590,29,20,889	j)	Medium term loan	51.264	-	489,80,43,497	434,98,84,215	548,159,282
-			k)	APDRP	51.265	-			-
-			l)	Nabard	51.214	-			-
-	118,76,33,930	118,76,33,930	m)	HUDCO	51.266	-	111,24,36,130	109,73,52,944	1,50,83,186
-	1385,46,28,418	1367,03,85,595	Total payment of Interest (B)			18,42,42,823	1289,87,94,772	1236,35,48,044	71,94,89,551
-	4709,03,74,280	4646,05,57,257	Grand Total {A+B}			62,98,17,023	3903,80,87,930	3876,17,32,065	90,61,72,888

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TAMIL NADU TRANSMISSION CORPORATION LIMITED										
ANNEXURE TO SCHEDULE 32										
SL NO	PARTICULARS	AMOUNT Rs.								
1	Maximum limit of borrowings power of the Board (As per Minutes of I AGM held during December 2010)	15000,00,00,000								
2	Amount borrowed upto the close of the previous year (ie.to the end of 31.03.2011)	10156,19,58,308								
3	Borrowings during this year 2011-12	699,43,39,378								
4	Total borrowings upto the end of 2011-12	10855,62,97,686								
5	Less: Repayments made during 2011-12	2601,91,13,487								
6	Total Borrowings (Net 4-5)	8253,71,84,199								
7	Balance of the borrowings limit to the end 2011-12 (1-6)	6746,28,15,801								
FUNDS FROM STATE GOVERNMENT										
SCHEDULE-33										
Outstanding at the beginning of the previous year 1.4.2011 Rs.	Amount received during the previous year 2011-12 Rs.	Repayment due during previous year 2011-12 Rs.	Sl. No.	Particulars	Interest rate applicable at the end of the year	Account code / sub account under 52 & 53	Outstanding at the end of the previous year 31.03.2012 Rs.	Amount received during 2012-13 Rs.	Repayments due during the year 2012-13 Rs.	Outstanding at the end of the year 31.03.2013 Rs.
1927,54,77,930	406,46,26,070	-	1	Equity Share capital		54.500	2334,01,04,000	506,91,00,000	-	2840,92,04,000
1927,54,77,930	406,46,26,070									
			Total				2334,01,04,000	506,91,00,000		2840,92,04,000

TAMIL NADU TRANSMISSION CORPORATION LIMITED							
CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS				SCHEDULE-34			
Balance at the beginning of the previous year 1.4.2011 Rs.	Received during previous year 2011-12 Rs.	Sl. No.	Particulars	Account code	Balance at the end of the previous year 31.03.2012 Rs.	Additions during the current year 2012-13 Rs.	Total at the end of the year 31.03.2013 Rs.
18,69,400	2,60,44,352	1	Consumer's Contribution	55.100	2,79,13,752	44,88,52,868	47,67,66,620
18,69,400	2,60,44,352	2	Total Consumer's Contribution		2,79,13,752	44,88,52,868	47,67,66,620
		3	Subsidies towards cost of capital Assets TEDA	55.200	0		0
			Grants towards cost of Capital Assets	55.300	0		0
		a.	P.W.D. Contribution for Servalar Projects	55.310	0		0
		b.	Grant from Govt. of India				
			Research and Development	55.311	0		0
		c.	Grant from Govt. of Tamil Nadu	55.312	0		0
		d.	Grant in-aid from GOI	55.314	0		0
		e.	Wind Farm Project	55.315	0		0
		f.	Grant from Micro Hydel Projects	55.316	0		0
		g.	Grant from Central Electricity Authority (Kuthiriyothi)	55.317	0		0
		h.	Grant from Energy Conservation Programme	55.318	0		0
		i.	Grant for Western Ghat Progm.	55.319	0		0
		j.	Grant for St. light	55.320	0		0
		k	Prathan Mantri Gramodya Grant	55.321	0		0
		l	APDRP Grant	55.322	0		0
		m	RGGVY Grant	55.324	0		0
0	0		Total		0	0	0
18,69,400	2,60,44,352		GRAND TOTAL		2,79,13,752	44,88,52,868	47,67,66,620

TAMIL NADU TRANSMISSION CORPORATION LIMITED

RESERVE AND RESERVE FUNDS

SCHEDULE-35

Balance at the beginning of the previous year 1.4.2011 Rs.	Additions 2011-12 Rs.	Deductions 2011-12 Rs.	Sl. No.	Particulars	Account Code	Balance at the end of previous year 31.03.2012 Rs.	Additions 2012-13 Rs.	Deductions 2012-13 Rs.	Balance at the end year 31.03.2013 Rs.
			RESERVES						
-			1	General Reserves	56.100	-			-
-			2	Capital Reserves	56.200	-			-
-			3	Other Reserves	56.600	-			-
10,00,21,040	25,89,74,587	6,05,14,806	4	Res. for Material Cost variance	56.610	29,84,80,821	19,63,56,037	2,92,68,572	46,55,68,286
0	0	0	5	1% Property Insurance Reserve	56.660	0			0
0			6	Hydro Balancing Fund	56.750	0			0
10,00,21,040	25,89,74,587	6,05,14,806		Total Reserves(A)		29,84,80,821	19,63,56,037	2,92,68,572	46,55,68,286
			RESERVE FUNDS						
185,39,30,902	91,66,59,029	61,68,55,915	1	TNEB GPF (incl. Int.)	57.120	215,37,34,016	98,03,57,998	82,69,97,379	230,70,94,635
4,10,51,118	18,32,57,750	10,25,52,883	2	Staff Pension Fund	57.140	12,17,55,985	19,21,98,191	22,69,59,583	8,69,94,593
9,37,16,572	94,99,644	47,88,969	3	Special TNEB PF cum Gratuity	57.135	9,84,27,247	1,28,79,462	61,53,585	10,51,53,124
10,71,59,947	95,92,433	44,39,388	4	Family Benefit Fund	57.155	11,23,12,992	1,12,65,210	62,18,047	11,73,60,155
78,26,097	7,08,758	20,607	5	HBA Spl. Family Benefit Fund	57.160	85,14,248	9,75,256	17,830	94,71,674
48,81,276	5,94,442	2,92,654	6	Medical Health Fund	57.165	51,83,064	23,95,347	4,89,477	70,88,934
-	0	0	7	Anti theft award	57.166	0	11,254	11,254	0
38,63,090			8	Pensioner's health fund	57.167	38,63,090			38,63,090
1,63,64,596			9	TNEB Pen.FBF	57.168	1,63,64,596		144	1,63,64,452
0			10	Special Reward Vigilance	57.169	0			0
19,58,59,950	14,79,72,656	1,61,89,799	11	Contributory Pension Scheme	57.170	32,76,42,807	15,09,34,892	3,15,61,888	44,70,15,811
232,46,53,548	126,82,84,712	74,51,40,215		Total Reserve Fund (B)		284,77,98,045	135,10,17,610	109,84,09,187	310,04,06,468
242,46,74,588	152,72,59,299	80,56,55,021		GRAND TOTAL (A+B)		314,62,78,866	154,73,73,647	112,76,77,759	356,59,74,754

NOTES TO ACCOUNTS

CORPORATE INFORMATION:

Tamil Nadu 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 Tamil Nadu, and dealing in transmission of power over the Tamil Nadu State.

I. SIGNIFICANT ACCOUNTING POLICY 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.

a. 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.

b. 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.

c. 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.

d. 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 Tamil Nadu 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.	Land	Infinity
2.	Buildings	
	Buildings containing Transmission Installations	1.80
	Office Buildings	1.80
	Residential Colony for Staff	1.80
	Other Buildings	1.80
3	Hydraulic Works	
	Plant & Pipe lines for water supply in residential colony	1.80
	Drainage and sewage residential colony	1.80
4	Other Civil Works	
	Pucca Roads	1.80
	Kutcha Roads	1.80
5	Plant and Machinery	
	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
	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
6	Line, Cables Net Works etc.	
	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
	Street lighting & Signal System	6.00
	Miscellaneous Equipments	6.00
7	Vehicles	
	Trucks, Tempos, Trekkers	18.00
	Jeeps and Motor Cars	18.00
	Other Vehicles	18.00
8	Furniture & Fixtures	6.00
9	Office Equipments	
	Calculators	6.00
	Typewriters	6.00
	Cash Registers in Cash Office	6.00
	Other Office Equipments	6.00
	Computers & Peripherals	6.00

e. 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.

f. 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.

g. 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.

h. 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.

i. 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).

j. Cash Flow:- (AS 3)

Cash flow is presented under indirect method.

k. 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.

l. 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.506,91,00,000/- for consideration otherwise than by way of cash for 50,69,10,000 @ 10/- per share by way various Government Orders. The Board had approved this allotment in the 38th Board meeting held on 20.04.2013.

The total share capital of the company as at the end of the year is 284,09,20,400 Equity Shares of Rs.10/- each for Rs. 284,09,20,400 (233.40,10,400 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 Tamil Nadu. However as per registrar of companies allotment of shares to the extent of Rs. 284,09,16,020 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 Tamil Nadu's Order No. 100 dated 19.10.2010. The financial figures for the previous period presented are for the period from 01.4.2011 to 31.03.2012.
3. The company has taken a secured loans from various Banks & Financial Institutions and outstanding as on 31.03.2013 for a value of Rs.8253.72 Crores (Rs.10,156.20 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 TANTRANSCO 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 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.102.26 Crores (Rs.13.30 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. 269.25 Crores (Rs.238.73 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. Rs.1621,88,08,885/- for the financial year 2011-12. The Hon'ble Tamil Nadu Electricity Regulatory Commission has allowed the Annual Transmission charges of Rs. 3,076 Crs. for the Financial Year 2012-13. Subsequently, the Commission vide its Transmission Tariff Order No. 2 of 2013, dated 20.6.2013 has provisionally revised the tariff and arrived the revenue gap of Rs. 694.89 Crs for the period 2012-13 and determined the Annual Revenue Requirement for the said year. Accordingly, Rs. 694.89 Crs. has been taken as Advance Transmission charges and the revenue from the transmission is considered as s. 2381.10 Crs. for the FY 2012-13.
12. The Statutory Audit Fees for the current financial year and previous financial year is as follows

<u>FY 2011-12</u>	Rs. 3,50,000/- (excluding service tax)
<u>FY 2012-13</u>	Rs. 4,50,000/- (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 31.03.2013 are made by TANGEDCO and TANTRANSCO's share has been made to the tune of Rs. 287.04 & Rs. 205.21 Crs. for the period from 1.11.2010 to 31.3.2012 & for the FY 2012-13.

14. The Capital work in Progress as on 31.03.2013 includes work in progress under taken of behalf of TANGEDCO.

15. **Value of Indigenous and imported stores spares and components consumed**

Sl.No	Particulars	Amount Rs. In Crs.
1	Indigeneous Materials	76.86 (299.11)
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	2012-13	2011-12
1	Energy Injected from Generator / Interstate (in MU)	74760.70	73135.77
2	Energy fed to EHT/HT consumers and total consumption at SS end of 11/ 22 KV	71660.43	70027.94
3	Total Transmission Loss	3100.27	3107.83
4	% of Loss	4.15	4.25

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. Tamil Nadu 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	Chairman/TANTRANSCO Chairman cum Managing Director in TANGEDCO and TNEB Limited
2	Thiru V.G. Manoharan	Managing Director/TANTRANSCO Part Time Director in TNEB Limited and TANGEDCO

(iii) Inter company transactions:

Amount (in Rs.)

Sl. No.	Description of Item	Government of Tamil Nadu	TANGEDCO	TNEB Ltd
1	Share Capital	5,00,000(5,00,000)		2840,92,00,000 (2333,96,04,000)
2	Revenue From Transmission of Power & Sundry Debtors for Transmission of Power		3075,99,00,000 (1621,88,08,885)	
3	Director's Remuneration & Amount Payable to TANGEDCO		49,72,766 (45,85,426)	
4	Funds received (in the forms of cash, materials etc.) & Amount payable to TANGEDCO		5741,93,21,483 (6738,73,41,210)	
5	Income Accrued & Amount Receivable from TANGEDCO & TNEB Limited		1484,33,62,713 (2908,63,64,762)	 (2,95,76,159)

23. Claims made by SR constituents on erstwhile TNEB**i. Transmission and wheeling Charges:**

The KPTCL and Tamil Nadu 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 Tamil Nadu 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 Tamil Nadu 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, Tamil Nadu 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 between the states of Tamil Nadu, 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**

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

24. The erstwhile TNEB did not pay any 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. A sum of Rs. 3.82 Crs. has been made towards final settlement of accounts against E.P.No. 3780 & 3781 of 2011 filed by M/s. Karuna Cables, Mumbai consequent upon finalization of arbitration award.
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").

M.MAHESWARI BAI
Chief Financial Controller

S. SEKKIZHAR
Director/Finance

V.G. MANOHARAN
Managing Director

K. MUTHUPANDIAN
Company Secretary

As per our report of even date
For **Padmanabhan Prakash & Co..**
Chartered Accountants
Firm No. 002509S.

Date: 30.9.2013

Partner: E.Prakash
Membership No.019388

Place: Chennai

TAMIL NADU TRANSMISSION CORPORATION LIMITED			
CASH FLOW STATEMENT			
	PARTICULARS	(Rupees in lakhs)	
		Period Ended 31.03.2013	Period Ended 31.03.2012
I.	Cash Flows From Operating Activities		
	Net Profit before tax and Extraordinary items	23644.00	231.83
	Adjustments For:		
	Depreciation	29951.35	29091.04
	Interest Income		0
	(Profit) / Loss on Sale of Asset		0
	Interest Paid	132985.16	138593.41
	Extraordinary items:-		
	Loss on account of flood, fire cyclone etc.,	0.00	-231.83
	Operating Profit Before Working Capital changes	186580.51	167684.45
	Change in Trade and Other receivables	-460796.02	-340036.33
	Change in Inventories	-7686.40	9624.72
	Change in other Current Liabilities	656165.03	573184.91
	Income Taxes Paid		0
	Net Cash Flow From Operating Activities (A)	374263.02	410457.75
II.	Cash Flow from Investing Activities		
	Purchase/sale of Fixed Assets	-113689.33	-93730.61
	Deferred Revenue Expenditure		0
	Investment in Shares		0
	Interest Income		0
	Sale of Fixed Assets	126.05	20.77
	Net Cash flow used in Investing Activities (B)	-113815.38	-558440.67
III.	Cash Flow from Financing Activities		
	Changes in Borrowings	-187484.18	-223381.06
	Share Capital raised	50691.00	40646.26
	Reserve Fund	8685.49	7476.48
	Interest Paid	-132985.16	-138593.41
	Net Cash Flow From Financing Activities (C)	-261092.85	-313851.73
	Net Increase/(Decrease) in Cash and		
	Cash Equivalents [D = (A+B+C)]	-393.11	2896.18
	Opening Balance of Cash & Cash Equivalents (E)	4645.05	1748.87
	Closing Balance of Cash & Cash Equivalents [F = (D+E)]	4251.94	4645.05

the cashflow has been prepared with the during the year transactions from 1st April 2012 to 31st MARCH 2013

M.MAHESWARI BAI
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

S.Sekkizhar
DIRECTOR/FINANCE
TANTRANSCO

S. AKSHAYA KUMAR
MANAGING DIRECTOR
TANTRANSCO

For Padmanabhan Prakash & Co
Chartered Accountants
Firm No. 0025095

Date:
Place: Chennai

(E. Prakash)
Partner
M.No. 019388

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No:	U40109TN2009SGC071948	StateCode:	18
Balance Sheet Date:	31	03	2013
	Date	Month	Year

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

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	5069100

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

Total Liabilities	Total Assets
115895303	115895303

Sources of Funds

Paid-up Capital	Reserves & Surplus
28409204	3565975
Secured Loans	Unsecured Loans
83443357	-
Other Funds	
476767	

Application of Funds

Net Fixed Assets	Investments
122081837.	-
Net Current Assets	Misc. Expenditure
(44140694) -	
Accumulated Losses	
37954160	

Performance of Company (Amount in Rs. Thousands)

Turnover	24149474	Total Expenditure	21785089
Profit/Loss before tax	2364385	Profit/Loss after tax	2364385
Earnings per Share inRs.	0.83	Dividend rate % -	

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

Product Description	Transmission of Power
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M.MAHESWARI BAI
CHIEF FINANCIAL CONTROLLER

K. MUTHUPANDIAN
COMPANY SECRETARY

S.Sekkizhar
DIRECTOR/FINANCE

S. AKSHAYA KUMAR
MANAGING DIRECTOR

Date:
Place: Chennai

As Per our report of even date
For **Padmanabhan Prakash & Co**
Chartered Accountants
Firm No. 0025095

(E. Prakash)
Partner
M.No. 019388