TAMIL NADU TRANSMISSION CORPORATION LIMITED

7th ANNUAL REPORT
2015-16

Regd. Office : NPKRR MAALIGAI (TNEB Office), No.144, Anna Salai, Chennai - 600 002.

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TAMILNADU TRANSMISSION CORPORATION LTD

No.144, Anna Salai, Chennai - 600 002.

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Tamil Nadu Transmission Corporation Ltd. will be held at the Registered office of the Company at NPKRR Maaligai, 144, Anna Salai, Chennai – 600 002 on Wednesday, the 28th of December, 2016 at 11.30 am 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 2016 and the Revenue Account of the Company for the period from 1st April 2015 to 31st March 2016 together with the Director's Report, Secretarial Auditor's Report, the Statutory Auditor's Report and Comptroller and Auditor General'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 139(5) of the Companies Act, 2013, M/s. B.Thiagarajan & Co., Chartered Accountants, Chennai, be and is hereby appointed as Statutory Auditors 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 authorised to fix the fees and other terms and conditions of the Statutory Auditors.

"RESOLVED FURTHER THAT the proposal to file the name of Thiru. C.T. Sridhar, Cost Accountant proposed for appointment of Cost Auditor of Tamil Nadu Transmission Corporation Limited for the FY 2016-17 as approved by the Board of TANTRANSCO in its 65th meeting held on 23.8.2016 is hereby approved and ratified."

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification, the following resolution as Special resolution:

"Resolved that pursuant to section 180(1) (C) and other applicable provisions, if any, of the Companies Act, 2013, Board of Directors of the Company be and hereby authorized to do all such acts, deeds matters and things, as it may at its discretion deem necessary or desirable for such purpose of borrowing within the limit of Rs. 25000,00,00,000/- (Rupees Twenty five thousand crores only) and to execute such documents or writings as they may consider necessary or proper or incidental to this resolution."

"Resolved further that pursuant of section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 the Board be and is hereby authorised to secure, if deemed fit, the entire or any part of the borrowings together with interest, cost, charges and other amounts payable in respect thereof by creation of mortgage/charges on the whole or part of the company's immovable and/or movable properties, present and/or future with such rankings and other terms as may be decided by the Board."

4. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED that TANTRANSCO is permitted to offer securities or invite to subscribe securities in the form of private placement of bonds to the extent of Rs.250.00 crore (Rupees Two Hundred and Fifty Crores only) during the Financial Year 2016-17 in tranches at the rate prevailing in the money market either directly from the prospective investors or through arrangers appointed by adopting the Tamil Nadu Transparency in Tenders Act & Rules."

Explanatory Statement:

(i) Consequent on the introduction of new rules "Companies (Prospectus and Allotment of Securities) Rules, 2014" which is effective from 01.04.2014, special resolution needs to be passed for the private placement of bonds.

(ii) In order to tide over shortfall of funds for the FY 2016-17, the mobilization of funds through bonds at prevailing market rate which is expected to be cheaper than the other sources of fund is inevitable.

(iii) At present, TANTRANSCO has proposed to mobilize funds through private placement of bonds for Rs.250.00 crore during 2016-17. The process of appointing Credit Rating Agencies for the proposed bond issue of Rs. 250 crores of TANTRANSCO is under process. After obtaining credit rating for the proposed bond issue, further process for offering the securities in the form of Private Placement of bonds either directly from the prospective investors or through arrangers appointed by adopting the Tamil Nadu Transparency in Tenders Act & Rules will be initiated.

Notes:

1. A member entitled to attend and vote at Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the Meeting.

2. Members/proxies are requested to bring their Attendance Slip duly filled for attending the meeting.

3. The Annual General Meeting is being convened at a short notice. All the members are requested to approve the same by signing the Form attached with the Notice. Please send the duly filled and signed form to the Registered Office of the company or handover the same to the Chairman before the commencement of the meeting.

By the Order of the Board
For TAMILNADU TRANSMISSION CORPORATION LIMITED

Place : Chennai
Date: 27.12.2016

(D. Suresh Kumar)
COMPANY SECRETARY

DIRECTORS' REPORT

Dear Members,

The Board of Directors of Tamil Nadu Transmission Corporation Limited (TANTRANSCO) have immense pleasure in presenting its 7th Annual Report for the Year 2015-16.

2.0 FORMATION OF TANTRANSCO

The company was formed with restructuring of erstwhile Tamil Nadu Electricity Board, and as a subsidiary of TNEB Limited which is a State Government company. Tamil Nadu 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. The Government of Tamil Nadu notified the Final transfer of assets and liabilities to the company vide G.O. (Ms) No.49 (Energy (B1) Department), dated 13.08.2015. The opening balances of assets and liabilities notified in the final transfer scheme have been incorporated in the Annual Report for the FY 2015-16.

4.0 TRANSFER OF EMPLOYEES

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

4.2 The information under Section 217 (2A) of Companies Act, 1956 read with 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 authorized share capital of the Company was increased to Rs.2500 Crores (250 Crores Equity Shares of Rs.10 each). Subsequently, the authorized share capital of the company was increased to Rs. 5000 Crores (500 Crores Equity shares of Rs.10 each) and to Rs. 10000 Crores (1000 Crores Equity shares of Rs.10 each) in the 3rd AGM and 6th AGM of the company held on 27.09.2012 and 29.12.2015 respectively.

FINANCIAL RESULTS **(Rs. in Lakhs)**

Sl. No.	Particulars	Year ended 31st March 2016	Year ended 31st March 2015
	INCOME		
1	Revenue from Transmission of Power	230524	177607
2	Other income	20184	16015
		250708	**193622**
	EXPENDITURE		
1	Repairs & Maintenance	1353	1102
2	Employee Cost	96499	83008
3	Administrative and General Expenses	25123	15297
4	Other Expenses	0	0
	Less: Expenses Capitalised	(15302)	(13772)
		107673	**85636**
	Profit/(Loss) Before Depreciation and Interest	143035	107987
	Less: Depreciation	(48761)	(56802)
	Profit/(Loss) Before Interest and Tax	94274	51185
	Less:Interest and other Bank charges	(137934)	(92735)
	Add : Interest charges capitalised	31953	29135
	Less: Extra ordinary expenses	49	
	Less: Prior Period Charges	14583	(1123)
	Profit/(Loss) Before Tax	26340	(11293)
	Less : Provision for Taxation	-	-
	Profit/(Loss) after Tax	**(26340)**	**(11293)**

6.0 DETAILS OF OPERATIONAL PERFORMANCE DURING 2015-16

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	9	1800	-		9	1800
3.	110 KV	35	605	-		35	605
4.	33 KV	19	160	4	32	23	192
	Total	**63**	**2565**	**4**	**32**	**67**	**2597**

6.2 Lines Energized:

Sl. No.	Description	Distance (in Circuit KM)
1.	400 KV OH Line	657.528
2.	230 KV OH Line	391.325
3.	230 KV UG Cable	20.335
4.	110 KV OH Line	915.716
5.	110 KV Cable	2.775
	Total	**1987.679**

6.3 Additional / Enlargement of Power Transformers :

Sl. No.	No. of Transformers	Capacity in MVA
1.	141	1852.50

i. The 'All time high' demand for the financial year 2015-16 of 14,538 MW was reached on 24.02.2016.

ii. The 'All time high' consumption for the financial year 2015-16 of 327.015 MU was recorded on 22.03.2016.

iii. The minimum demand of 4723 MW was recorded on 10.11.2015 whereas the minimum consumption was 143.550 MU on 10.11.2015.

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 2015-16, there were 48 nos. of Private generators interfaced with the grid at 110 kV level and above.

Intra State Open Access

- Intrastate open access is being permitted to all the willing and eligible HT consumers to purchase power from the generators irrespective of quantum up to their sanctioned demand within Tamil Nadu under intrastate Short Term open access transactions.

- **Third Party:**

  During the Financial Year 2015-16, a maximum of 494 Nos of HT consumers purchased power to the quantum of 233 MU.

- **Captive Wheeling:**

  During the financial year 2015-16, a total number of 906 HT consumers have been permitted for captive wheeling for the quantum of 4881 MU under Intra-state short term open access transactions.

- **Interstate Open Access**

a) Interstate open access is also being permitted to all the willing HT consumers to purchase power for more than 1 MW from outside Tamil Nadu through traders under inter-state short term open access bilateral transactions and from power exchanges under interstate short term open access collective transactions.

During the financial year 2015-16, there were 8 HT consumers who purchased power for the quantum of 39 MU through interstate short-term open access bilateral transactions and 332 nos. of HT consumers who purchased power for a quantum of 333 MU 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), TANTRANSCO, Chennai-2 as State Agency for Accreditation of Renewable

Energy Generators. The process of accreditation of Renewable Energy Generators and recommending the projects to National Load Despatch (NLDC) New Delhi, for Registration is being carried out by the Superintending Engineer/LD & GO, Chennai.

b) 274 numbers of Renewable Energy Generators (Wind, Solar PV and Biomass) for a capacity of 1253 MW were Accreditated under REC Mechanism upto the financial year 2015-16 after observing all the formalities. As per CERC approved procedures, the Energy Injection Reports and self retention of RECs on monthly basis are being issued to all the registered Renewable Energy Generators.

7.0 STATUTORY AUDITORS:

The C & AG of India have appointed M/s.Padmanabhan Prakash & Co., Chartered Accountants, Chennai as Statutory Auditors for auditing the Accounts of TANTRANSCO for the Financial Year 2015-16.

7.1 COST AUDITOR:

The Govt. of India, Ministry of Corporate Affairs Cost Audit Branch, New Delhi in exercise of the power conferred u/s.148 issued Cost Audit orders to audit the Cost Accounting records and books of Accounts maintained by the company. Accordingly, in terms of Section 148 of the Companies Act 2013, the Board of Directors appointed Thiru. C.T.Sridhar, Cost and Management Accountant as the Cost Auditor for the financial year 2015-16 which has been approved by the Ministry of Corporate Affairs Cost Audit Branch, New Delhi

7.2 SECRETARIAL AUDITOR:

The Board of TANTRANSCO has appointed M/s. V.Mahesh & Associates, Company Secretaries as Secretarial Auditor of Tamil Nadu Transmission Corporation Ltd. to conduct the Secretarial Audit for the financial year 2015-16 in compliance with the provisions of Section 204(1) of the Companies Act, 2013.

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 2014-15 is Nil.

9.0 Directorate (Financial Year ending 31.03.2016) :

Sl. No.	NAME	DESIGNATION
1	Dr. M. SAI KUMAR, I.A.S.,	Chairman, TANTRANSCO.
2	Thiru K. Rangaraj, B.E. Upto 31.5.2015 Thiru R. Kalaiselvan, B.E. 31.5.2015 - 30.9.2015 Thiru K. Sivaprakasam, B.E. 1.10.2015 -1.3.2016 Thiru S. Shanmugam, B.E. From 1.3.2016	Managing Director, TANTRANSCO Managing Director (a/c), TANTRANSCO Managing Director (a/c), TANTRANSCO Managing Director, TANTRANSCO
3	Thiru R.Kaliselvan, B.E. Upto 30.9.2015 Thiru. Sambathkumar,B.E. 1.10.2015-23.11.2015 Thiru T. Senthilvelan, B.E. 23.11.2015-11.12.2015 Thiru T. Senthilvelan, B.E. From 11.12.2015	Director/Transmission Projects Director/Transmission Projects (a/c) Director/Transmission Projects (a/c) Director/Transmission Projects
4	Thiru S.Sekkizhar, B.Com., FCA., Upto 28.02.2016 Tmy M.Maheswari Bai, B.Com., AICWA. From 1.3.2016	Director/ Finance Director(Finance)(a/c)
5	Thiru.P.S.Ganesh, B.E. Upto 30.6.2015 Thiru. B.Sivakumar, B.E. 30.6.2015 - 5.11.2015 Tmy. A.Axilium Jayamary,B.E. 05.11.2015-30.11.2015 Tmy. A. Axilium Jayamary, B.E. From 30.11.2015	Director/Operation, Director/Operation(a/c), Director/Operation(a/c), Director/Operation,
6	Thiru P. Annadurai, B.E. Upto 31.5.2015 Thiru. M.Pandi, B.E. 1.6.2015-12.8.2015 Thiru M. Pandi, B.E. From 12.8.2015	Part time Director, TANTRANSCO Director/Distribution/TANGEDCO Part Time Director, TANTRANSCO Director (Distribution) (a/c), TANGEDCO Part Time Director, TANTRANSCO Director (Distribution), TANGEDCO

7	Thiru S. Devarajan, B.E. Upto 31.5.2015 Thiru T.V.K.Murugan, B.E. 1.6.2015-30.6.2015 Thiru. N.S.Prabakar, B.E., 1.7.2015-30.7.2015 Thiru K. Sivaprakasam, B.E. 1.8.2015-12.8.2015 Thiru K. Sivaprakasam, B.E. From 12.8.2015	Part Time Director, TANTRANSCO Director (Generation), TANGEDCO Part time Director, TANTRANSCO Director (Generation)(a/c), TANGEDCO Part time Director, TANTRANSCO Director (Generation)(a/c), TANGEDCO Part time Director, TANTRANSCO Director (Generation)(a/c), TANGEDCO Part time Director, TANTRANSCO Director (Generation), TANGEDCO
8	Thiru. Rajesh Lakhoni, I.A.S. (upto 9.12.2015) Thiru N.S. Palaniappan, I.A.S. (from 9.12.2015)	Secretary to Government (a/c), Energy Department Ex-officio Director/TANGEDCO, TANTRANSCO & TNEB Ltd. Addl. Chief Secretary to Govt., Public Works Department, Secretary to Govt., Energy Department(a/c), Ex-officio Director, TANTRANSCO.
9	Thiru. K.Shanmugam, I.A.S.	Additional Chief Secretary to Government, Finance Department. Ex-officio Director, TANGEDCO, TANTRANSCO & TNEB Ltd.
10	Tmy. G.Latha, I.A.S., 24.6.2015 – 7.10.2015 Thiru M.S.Shanmugam, I.A.S. (From 05.11.2015)	Deputy Secretary to Government, Industries Department, Ex-officio Director, TANTRANSCO. Addl. Secretary to Govt., Industries Department, Ex-officio Director, TANTRANSCO.

10.0 **Audit Committee :**

In compliance with the provisions of Section 177 of the Companies Act, 2013 (as amended), an Audit Committee was re-constituted by your Company with Chairman and three Ex-Officio Directors of TANTRANSCO.

11.0 **Directors' responsibility statement :**

In accordance with Section 134(3) (c) of the Companies Act, 2013, 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 129(1) third proviso on Companies Act 2013. 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 2016; and of the revenue account for that period. The rates of

depreciation adopted are as per the notification issued by the Honourable Tamil Nadu Electricity Regulatory Commission, from time to time.

ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the statutory provisions, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

iv) the directors had prepared the annual accounts on a going concern basis.

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, REC, NABARD, CERC, Commercial Banks and other Financial Institutions, Ministry of Corporate Affairs, Registrar of Companies and the General Public for co-operation and active support to TANTRANSCO, in our endeavour to serve them. The Board of Directors would also like to place on record its appreciation for the dedicated and committed service rendered by the employees of Corporation.

Date : 27.09.2016

Sd/-
Chairman

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
O/o the 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. AG(E&RSA)/BO-TNEB/DB/TANTRANSCO/15-16/55 Dated : 26 December 2016

To
The Managing Director,
Tamilnadu Transmission Corporation Limited,
144, Anna Salai,
Chennai - 600 002.

Sir,

Sub : Comments of the C&AG of India u/s 143(6) (b) of the Companies Act, 2013 on the accounts of Tamil Nadu Transmission Corporation Ltd for the year ended 31st March, 2016 – reg.

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The comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the accounts of Tamil Nadu Transmission Corporation Ltd., for the year ended 31st March, 2016 are forwarded herewith.

A copy of the minutes of Annual General Meeting in which comments of Comptroller and Auditor General of India are placed may please be sent to this office early. Six copies of printed Annual Reports as and when they are ready may also be forwarded to this office.

Yours faithfully,

Sd/-
Senior Deputy Accountant General/ES-II

Encl: As stated.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TAMIL NADU TRANSMISSION CORPORATION LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of financial statements of Tamil Nadu Transmission Corporation Limited, Chennai for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 September 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the financial statements of Tamil Nadu Transmission Corporation Limited, Chennai for the year ended 31st March 2016. 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 143 (6) (b) of the Act, 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. Revenue Account

Income

1. Other Income (Schedule - 5) – ₹ 201.84 crore

This does not include ₹15.73 crore being the value of liquidated damages recovered from the contractors' bills in April 2016, in respect of works belatedly executed during the period 2015-16. This has also resulted in overstatement of Current Liabilities by a like amount.

B. Balance Sheet

2. Fixed Assets and Provision for Depreciation (Schedule - 19)

Gross Block – ₹ 30,544.07 crore

i) The above does not include ₹ 103.50 crore being the value of various assets completed and commissioned prior to 31st March 2016. This has resulted in understatement of the above head as also Inter-unit account (Cr) to the extent of ₹ 103.50 crore.

ii) This includes an amount equivalent to the extent of difference between the old book value and revalued value of the Assets sold or withdrawn during the period from November 2010 to March 2016. While accounting for the assets sold or withdrawn during this period, the value of the Assets were deducted from the Gross Block at the old book value instead of the revalued value. This has resulted in the non-removal of the full value of assets sold or withdrawn. The extent of such difference could not be quantified in audit for want of supporting details.

3. Capital Expenditure in Progress (Schedule - 21) - ₹ 6,200.28 crore

i) This stands understated by ₹14.67 crore due to non-provision of liability for works , bills for which were pending payment as on 31st March 2016. Consequently, this has resulted in understatement of Liability for capital works (Schedule-28) by a like amount.

ii) This stands understated by ₹ 48.70 crore being payments made by Central Payments to the contractors directly in respect of JICA funded schemes. Consequently, inter-unit (cr) stands understated by a similar amount.

iii) a) This stands overstated by ₹ 181.09 crore due to non-capitalisation of various assets (sub-stations and Transmission lines) commissioned and put to use up to March 2016 in the Operation Circles. This has also resulted in understatement of Gross Block of Fixed Assets to that extent.

b) This is also overstated by ₹ 2.51 crore being the value of excess claims made against various works executed by BHEL and M/s Shreem Electricals Ltd. during the period 2015-16 but recovered subsequently in other bills. This has also resulted in overstatement of Other Current Liabilities (Schedule-28) to the same extent.

c) This does not include a sum of ₹ 5.50 crore being running account bills for the civil works relating to Savasapuram 230/110 KV sub-station and 400/230-110 KV sub-station at Kanarpatti received before 31st March 2016. This has also resulted in understatement of Other Current Liabilities (Schedule-28) to that extent.

d) This includes ₹ 3.23 crore being the value of various Deposit Contribution Works completed in 2014-15 itself, but assets not yet transferred to the Distribution Circles concerned. As the works were not yet capitalized, the above account was overstated to the extent of ₹ 3.23 crore with corresponding understatement of inter-unit (Dr) account by a like amount.

iv) This is understated by ₹ 1.18 crore due to non-inclusion of materials issued by Tamil Nadu Generation and Distribution Corporation's (TANGEDCO) Tirunelveli Distribution Circle for use at the Kayathar 230 KV Sub Station. As the sub-station belonged to TANTRANSCO, the non-inclusion of the amount in TANTRANSCO books has resulted in understatement of the

above head and understatement of amount owing to TANGEDCO (Schedule-28) by Rs.1.18 crore.

Current Assets

4. Stocks (Schedule-26(A)) – ₹ 212.70 crore

Materials pending inspection have been incorrectly accounted as ₹ 20.23 crore instead of the actual value of ₹ 2.02 crore, resulting in overstatement of the above head by ₹ 18.21 crore with corresponding overstatement of Liability for Supply of materials (Schedule-28) by the like amount.

5. Cash and Bank Balances (Schedule-26(C)) – ₹ 45.33 crore

This stands overstated by ₹ 13.63 crore due to double accounting of value of funds transferred from TANTRANSCO Headquarters to General Construction Circle, Trichy, during March 2016. This has resulted in corresponding overstatement of Inter Unit A/c (Cr) to that extent.

Current Liabilities

6. Other Current Liabilities (Schedule - 28) – ₹ 36,153.35 crore

i) This does not include ₹ 6.89 crore being the value of capital works executed and certified before 31 March 2016, but omitted to be reckoned in accounts for the year 2015-16. This has resulted in understatement of liabilities for capital works and capital expenditure in progress to that extent.

ii) This stands overstated by ₹ 2.40 crore due to non accounting of payments released by TANTRANSCO's Central Payments section for the work relating to establishment of 230 KV sub-station at Kinnimangalam under JICA Scheme. This has also resulted in understatement of Inter Unit (Cr) by a like amount.

7. Reserves and Reserve Funds (Schedule-35)

Reserve for Materials Cost Variance – ₹ 132.55 crore

The amount of ₹ 86.34 crore accumulated under the above head as on 31 March 2016 pertaining to capital works was not adjusted against capital work-in-progress. This has resulted in overstatement of Reserves by ₹ 86.34 crore with corresponding overstatement of fixed assets / Capital work-in-progress by the like amount apart from consequent over-provision for depreciation against inflated assets to that extent.

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

Sd.xxxxxxx

R. THIRUPPATHI VENKATASAMY
Accountant General

Place : Chennai
Date : 26.12.2016

TAMILNADU TRANSMISSION CORPORATION LIMITED

Sl.No.	AG Audit Comment	Management Reply
1	**A. Revenue Account : Income** **Other Income (Schedule-5) – Rs.201.84 Crore** This does not include Rs.15.73 crore being the value of liquidated damages in respect of works belatedly executed during the period 2015-16 and recovered from the contractors' bills in April 2016. This has also resulted in overstatement of Current Liabilities by a like amount. **(AE – 6 of GCC-Madurai).**	The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.
2 (i)	**B. BALANCE SHEET : Fixed Assets and Provision for Depreciation (Schedule – 19)** **Gross Block – Rs.30,544.06 Crore** The above does not include Rs.103.50 crore being the value of various assets completed and commissioned prior to 31 March 2016. This has resulted in understatement of the above head as also Inter-unit account (Cr) to the extent of Rs.103.50 crore. **(AE-2 of SE/Operation-Vellore and AE-3 of SE/Operation-Tirunelveli)**	SE/Operation-Thiruvallam-Rs.12,81,39,104/- SE/Operation-Tirunelveli (Tuticorin) Rs.90,69,31,524/- The same will be rectified in the accounts for the FY 2016-17. Hence the audit para may be dropped.
(ii)	This includes an amount equivalent to the extent of difference between the old book value and revalued value of the Assets sold or withdrawn during the period from November 2010 to March 2016. While accounting for the assets sold or withdrawn during this period, the value of the Assets were deducted from the Gross Block at the old book value instead of the revalued value. This has resulted in the non-removal of the full value of assets sold	Revalued assets as on 1.11.2010 has been brought into account in 2015-16. The value of revalued assets as on 1.11.2010 is being arranged to be calculated for each item and to be communicated to the circles. On completion actual value will be quantified and accounted in the account for the FY 2016-17. Hence the audit para may be dropped.

Sl.No.	AG Audit Comment	Management Reply
	or withdrawn and thereby leaving difference in the accounts. The extent of such difference could not be quantified in audit for want of supporting details.	
3 (i)	**Capital Expenditure in Progress (Schedule - 21) - Rs. 6,200.28 crore** This stands understated by Rs.14.67 crore due to non-provision of liability for works pending payment as on 31 March 2016. Consequently, this has also resulted in understatement of Liability for capital works (Schedule-28) to that extent. **(AE – 4 of SE/GCC - Trichy)**	The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.
(ii)	This stands understated by Rs.48.70 crore being payments made by Central Payments to the contractors directly in respect of JICA funded schemes. Consequently, inter-unit (cr) stands understated by a similar amount. **(AE – 5 of GCC-Trichy)**	The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped
(iii) (a)	This stands overstated by Rs.181.09 crore due to non-capitalisation of various assets (Sub-stations and Transmission lines) commissioned and put to use up to March 2016 in the Operation Circles. This has also resulted in understatement Gross Block of Fixed Assets to that extent. **(AE – 3(i) of GCC – Madurai and AEs-6,7,8,9 and 14 of GCC - Coimbatore)**	SE/GCC/Madurai - Rs. 119,55,95,559/- SE/GCC/Coimbatore - Rs. 1,46,28,480/- - Rs. 4,50,99,982/- - Rs. 1,11,99,810/- - Rs. 6,22,176/- Rs. 55,38,89,000/- The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.
(iii) (b)	This is also overstated by Rs.2.51 crore representing the value of excess claims made against LOA quantity in	The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.

Sl.No.	AG Audit Comment	Management Reply
	respect of various works executed by BHEL and M/s Shreem Electricals Ltd. during the period 2015-16 but recovered subsequently in other bills for the period April 2016. This has also resulted in overstatement of Other Current Liabilities (Schedule-28) by the same extent. **(AE – 3 (iv) of GCC – Madurai)**	
(iii) (c)	This does not include a sum of Rs.5.50 crore being running account bills for the civil works relating to Savasapuram 230/110 KV SS and 400/230-110 KV AIS Sub-Station at Kanarpatti received before 31 March 2016. This has resulted in understatement of Other Current Liabilities (Schedule-28) to that extent. **(AE – 3 (ii) & (iii) of GCC – Madurai)**	The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.
(iii) (d)	This includes a sum of Rs.3.23 crore being the value of various DCW works completed in 2014-15 itself but assets not yet transferred to the EDCs concerned. As the works were not yet capitalized, the above account was overstated to the extent of Rs.3.23 crore with corresponding under statement of inter-unit (Dr) by a like amount. **(AE – 6 of GCC-Trichy)**	The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.
(iv)	This is understated by an amount of Rs.1.18 crore due to non-inclusion of materials issued by TANGEDCO's Tirunelveli EDC for use at the Kayathar 230 KV SS. As the sub-station belonged to TANTRANSCO, the non-inclusion of the amount in TANTRANSCO books has resulted in understatement of the above head	The same has been incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.

Sl.No.	AG Audit Comment	Management Reply
	and understatement of amount owing to TANGEDCO (Schedule-28) by Rs.1.18 crore.	
4	**Current Assets:** **Stocks (Schedule-26(A)) – Rs.212.70 crore.** Materials pending inspection included value of materials amounting to Rs. 2.02 crore. However the value of these materials have been incorrectly accounted as Rs.20.23 crore resulting in overstatement of materials pending inspection by Rs.18.21 crore with corresponding overstatement of Liability for Supply of materials (Schedule-28) by the like amount. **(AE –1 of GCC-Trichy)**	The same will be incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.
5	**Cash and Bank Balances (Schedule-26(C))– Rs.45.33 crore** This stands overstated by Rs.13.63 crore due to double accounting of value of funds transferred from Headquarters during March 2016. This has resulted in corresponding overstatement of Inter Unit A/c (Cr) to that extent. **(AE –2 of GCC-Trichy)**	The same will be rectified in the accounts for the FY 2016-17. Hence the audit para may be dropped.
6 (i)	**Current Liabilities: Other Current Liabilities (Schedule - 28) – Rs.36,153.35 crore** This does not include Rs.6.89 crore being the value of capital works executed and certified before 31 March 2016 but omitted to be reckoned in accounts for the year 2015-16. This has resulted in understatement of liabilities for capital works and capital expenditure in progress to that extent. **(AE – 4 of GCC-Coimbatore)**	The same will be incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.

Sl.No.	AG Audit Comment	Management Reply
(ii)	This stands overstated by an amount of Rs.2.40 crore due to non accounting of payments released by Central Payments in regard to establishment of 230 KV AIS Sub-Station Project at Kinnimangalam under JICA Scheme. This has also resulted in understatement of Inter unit (Cr) by a like amount. **(AE – 3 of GCC - Madurai)**	The same will be incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.
7.	**Reserves and Reserve Funds (Schedule-35)** **Reserve for Materials Cost Variance– Rs.132.55 crore** The amount accumulated under the above head as on 31 March 2016 for Rs.86.34 crore was not charged to capital work-in-progress. This has resulted in overstatement of Reserves by Rs. 86.34 crore with corresponding overstatement of fixed assets / Capital work-in-progress by the like amount apart from consequent over-provision for depreciation against inflated assets to that extent. **(AE – 3 of GCC– Trichy and AE – 2 of GCC-Madurai)**	The same will be incorporated in the accounts for the FY 2016-17. Hence the audit para may be dropped.

PADMANABHAN PRAKASH & Co
Chartered Accountants
5, SMITH ROAD, SECOND FLOOR
CHENNAI 600002
e-mail: padmanabhan_prakash@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of TAMILNADU TRANSMISSION CORPORATION LIMITED, CHENNAI.

Report on the Financial Statements:

We have audited the accompanying financial statements of TAMILNADU TRANSMISSION CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Revenue Accounts, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

BASIS FOR QUALIFIED OPINION:

1) We are not in a position to verify the details of addition to fixed assets, corresponding depreciation in many cases (Account Group 10 &14) made during the year in the absence of supporting records.

2) Depreciation:

The Depreciation on the Revalued portion of asset is adjusted against the Revaluation Reserve for the years 2010-11 to 2015-16, which is not consistent with the provisions of Companies Act, 2013 for the financial years 2014-15 and 2015-16 which amounts to Rs.1214.52 Crore.

3) In the absence of full details of the expenses reimbursable to TANTRANSCO Ltd. from TANGEDCO Ltd and vice-versa, we are not in a position to certify the correctness or otherwise of these figures in the Revenue Account and Balance Sheet respectively.

4) In the absence of full details of the Revenue/Income reimbursable to TANTRANSCO Ltd from TANGEDCO Ltd, we are not in the position to certify the correctness or otherwise of these figures in the Revenue Account and Balance Sheet respectively.

5) The pension payments of existing pensioners of erstwhile TNEB are being paid by TANGEDCO since no segregation of pensioners' liability has been finalised in the provisional transfer scheme. The payments of pension to those who have retired from 1.4.2015 to 31.03.2016 are made by TANGEDCO and one seventh towards TANTRANSCO's share for the FY 2015-16 to the tune of Rs.283.68 Crs. has been made in the accounts.

6) We are not in a position to certify the correctness of the interunit / HQ since the reconciliation has not been carried out.

7) We are not in a position to certify the correctness of the Liability for supply material.

8) Since adequate records are not maintained for DCW works, reconciliation of figures shown in the statement of accounts could not be carried out.

9) General Ledger:

There is no general ledger maintained in the Head Office/Operation/GCCs and other units. Only monthly statement of account was maintained and general ledger is not maintained.

10) Details of service tax payable by the company from 01.07.2012 are not ascertainable in the absence of proper records by the GCCs/Operation/P&C NCESs and Head Office. The Company is reimbursing Service Tax on production of receipts of actual payment by the contractors concerned under the reverse charges mechanism as per the Service Act.

11) The Land purchased by TANTRANSCO Ltd. for establishment of sub-stations, the title deeds are registered in the name TANGEDCO Ltd/TNEB Ltd. and not in the name of TANTRANSCO Ltd in many cases.

12) SECURITY DEPOSIT, EMD & OTHER DEPOSITS RECEIVED FROM SUPPLIERS AND CONTRACTORS: Due to non-maintenance of proper records towards Security Deposit, EMD & Other Deposits received from suppliers and contractors, we are not in a position to certify whether proper accounting towards Revenue and Deposits.

13) SERVICE TAX ON HIRED VEHICLES:

The Service tax paid by the Company on vehicles taken on hire is not uniform.

14) POSTINGS IN INVENTORY RECORD BY GCC-CHENNAI:

Postings in Stock Register is not subject to verification.

In 'D' Section, of the said store, while valuing inventories, the value as given in the Stock Ledger is not in conformity with the rate adopted by the company. During the course of Audit certain rectification entries have been passed, under the circumstances the correctness or otherwise of the value adopted by the Chennai GCC could not be certified. Also its impact on the Revenue Account and Balance Sheet is not Ascertainable / Quantifiable

15) CASH SECTION:

In CANARA BANK Account (code no. 24:301) account no.22266, credit entries aggregating Rs. 11,16,631 /- are yet to be identified.

16) Regarding employee subscription and the employer contributions towards provident fund and other funds, the company has not invested outside as generally done by similar company.

17) Register of Members and Register of Directors has not been updated

IN VIEW OF THE ABOVE, CONSEQUENTIAL IMPACT ON THE LOSS FOR THE YEAR AND RELEVANT ITEMS IN THE BALANCE SHEET IS NOT ASCERTAINABLE/ NOT QUANTIFIABLE,

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described in the Basis for Qualified Opinion paragraph,** the aforesaid financial statements give the information required by the Act/ESAAR in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its Loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTER:

Attention also is invited to the following notes as stated in part I of the Note to the accounts of the Company:

(1) Non Compliance of Following 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 (Standard – 6) 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. *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.*

v. *No provision is made for deferred taxation as per Accounting standard – 22 "Accounting for taxes on income".*

(2) CALCULATION OF DEPRECIATION:

Depreciation on Assets have been calculated as per the regulations of Tamil Nadu Electricity Regulatory Commission and not as per COMPANIES ACT, 2013.

(3) Since the company follows the provisions of ESAAR, 1985 the Balance Sheet and Statement of Profit & Loss and cash flow are not prepared as per of the Companies Act, 2013.

(4) LOAN RECEIVED FROM JICA & KfW through GoTN:

The Exchange rate variation for the drawal of loan has been provided in the accounts. The provision of interest and commitment charges have been made in the accounts as per the data published in the website of Controller of Aid Accounts and Audit, GoI.

(5) In all nodal circles separate cash book is maintained since there is a separate bank account operated in the nodal circles only. Other than nodal circles, no separate cash book is maintained for TANTRANSCO .

(6) No independent Director has been appointed to the Board as per the Companies Act, 2013

(7) During the year No Internal Auditors have been appointed by the Company as per the Companies Act, 2013

In our opinion and to the best of our information and according to the explanation given to us, subject to:

(a) Note No.7 of Notes to Accounts Part-II on confirmation for the non-availability of balances for Secured loans, Sundry Creditors, Sundry Debtors, and Loan and Advances , other Deposits, Advances, Amount due to TANGEDCO and Amount due from TANGEDCO and all Staff Advances.

(b) Note No.8 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.

(c) Note No.9 of Notes to Accounts Part-II on Interunit account value of Rs.(-)301.89 Crores which is subject to reconciliation.

(d) Note No.15 of Notes to Accounts Part-II, the transmission charges receivable from TANGEDCO and other open access customers have been limited to the extent of Rs.2305.24 crores for the year 2015-16.

(e) Note No.17 of Notes to Accounts Part-II on Terminal benefits not provided as per accounting standard.

(f) Note No.24 Non-provision of Terminal benefits such as Gratuity/Leave Encashment of EL/Commutation of Pension on accrual basis.

(g) NoteNo.27(i) Receipt of transmission charges and wheeling charges on account of KAIGA share and MAP share to other SR constituents.

(h) Non reconciliation of dues payable to Karnataka and Andhra Pradesh Govt. on account of Transmission/Wheeling and Reactive energy charges.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) The provisions of section 164 (2)of the Companies Act, 2013, on the disqualification of the directors are not applicable to the company as per paragraph serial No. 19 chapter 11 notification no. G.S.R 463 (E) dated 5th June 2015 of the Department of Company Affairs, Government of India;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The company has disclosed the impact of pending litigations on its financial position in its financial statement

(ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Sec 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

For Padmanabhan Prakash & Co
Chartered Accountants
FRN : 002509S

S. RADHAKRISHNAN
(Partner)
Membership No.:018815

Place:Chennai
Date: 29th September, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tamil Nadu Transmission Corporation Ltd. ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Companies Act, 2013.

Auditor's Responsibility:

Our responsibility is to express an opinion on the company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Sec 143(10) of the Companies Act, 2013 to the extent applicable to an audit of Internal Financial Controls Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated efficiently in all material aspects.

Our audit involves procedures to obtain audit evidence about adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our

audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting:

A company's Internal Financial Controls over Financial Reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorization of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely deduction of unauthorized acquisition, use, or disposition of the company's assets that could have a material on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material mismanagements due to error or fraud may occur and not be deducted. Also projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the Internal Financial Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the company has in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls system over Financial Reporting were operating effectively as at March 31st , 2016, based on the Internal Financial Controls over Financial Reporting criteria established by the company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Padmanabhan Prakash & Co
Chartered Accountants
FRN : 002509S

S. RADHAKRISHNAN
(Partner)
Membership No.:018815

Place:Chennai
Date: 29th September, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph (2) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended 31st March, 2016)

On the basis of checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of Fixed Assets:

a. The Government of Tamil Nadu has issued the G.O. for the Final Transfer Scheme with certain amendments vide G.O.(Ms.) No. 49, dated 13.8.2015. The Annual accounts for the FY 2015-16 and Balance sheet as on 31.3.2016 of TANTRANSCO has been prepared duly incorporating the opening Balance as per the Final Transfer Scheme.

b. The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.

c. In our opinion and according to the explanation and information given to us, the company has not disposed off substantial part of fixed assets.

(ii) In respect of Inventories:

The reconciliation between value of inventories as per stock registers and accounts are not carried out. Also in our opinion Systems and Procedures in the maintenance of stores ledger/records and their valuation needs strengthening.

(iii) We are informed that there is no Company, firm or party to be listed in the register referred to in section 189 of Companies Act, 2013 and hence we have no comments to offer in this respect.

(iv) In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business. However, in our opinion Systems/Controls/General Controls/ Information Technology controls require to be strengthened/Developed to make the same commensurate with the size, Volume and Nature of Business of the Company.

(v) The company has not accepted any deposits from public. Hence we have no comments to offer in respect of the same.

(vi) Pursuant to the rules made by the Central Government for maintenance of cost records under Sec 148(1) of the Companies Act 2013, we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of Statutory Dues:

(a) 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.

(b) The Company has been generally regular in depositing with appropriate authorities undisputed applicable statutory dues.

(c) The details of Service tax payable under reverse charges mechanism as per Service Tax Act from 1.7.2012 is not ascertainable. The company is reimbursing service tax on production of receipt of actual payments by the contractor concerned.

(d) We understand the company did not have disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, Value added Tax, cess and other material statutory dues with the appropriate authorities during the year applicable to it as on 31.3.2016.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions. The Company has taken loans from financial institutions and from the government and has not issued any debentures.

(ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(xi) Based upon the audit procedures performed and the information and explanations given by the management, provisions of section 197 read with Schedule V to the Companies Act regarding the managerial remuneration are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

(xvii)(A) During the year, the Company has received the following loans from various Financial Institutions and other International Agencies

		Rs. In Crores
a	Rural Electrification Corporation Ltd., New Delhi	1050.81
b	Power Finance Corporation Ltd., New Delhi	491.88
c	NABARD	45.58
d	Loan from GoTN under JICA	521.59
e	Loan from GoTN under KfW, Germany	133.00
	TOTAL	2242.86

(B) According to the information given to us the loans were utilized for the purpose for which the loans were obtained.

For Padmanabhan Prakash & Co
Chartered Accountants
FRN : 002509S

S. RADHAKRISHNAN
(Partner)
Membership No.:018815

Place:Chennai
Date: 29th September, 2016

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

With regard to the Directions issued by the Comptroller and Auditor General of India on the Basis of checks we considered appropriate and according to the information and explanation given to us during the course of our Audit, we report as follows :

Sl.No.	DIRECTION	REPLY
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Please refer to the Point no. 11 under Basis for qualification in the Independent Auditor's Report.
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	There are no cases of waiver / write off of debts / loans / interest etc, during the year.
3	Whether proper records are maintained for inventors lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.	Proper records are maintained for Inventories lying with contractors and no gift of assets received from Government or other authorities.
	SUB-DIRECTION	
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	As soon as the land is purchased construction of sub-station etc are commenced within a reasonable time. We have not come across any case of litigation or encroachment or any declaration of surplus during the course of our audit.
2	The cost incurred on abandoned projects and out of this how much cost has been written off may be reported.	We have not come across any abandondend project during the period of our audit.
3	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the Generating Company may be commented.	We being technically not qualified in this field we are not in position to offer our comments on this point.
4	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	The transmission loss for the year was 4.11% which appears to be reasonable. The same is properly accounted while collecting transmission related charges.
5	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.	We have not come across any such case during the period of our audit.

For Padmanabhan Prakash & Co
Chartered Accountants
FRN : 002509S

S. RADHAKRISHNAN
(Partner)
Membership No.:018815

Place:Chennai
Date: 6th October 2016

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
BASIS FOR QUALIFIED OPINION : *1) We are not in a position to verify the details of addition to fixed assets, corresponding depreciation in many cases (Account Group 10 &14) made during the year in the absence of supporting records.*	*The assets registers are reconstructed in all units and updating is in progress.*
2) Depreciation: *The Depreciation on the Revalued portion of asset is adjusted against the Revaluation Reserve for the years 2010-11 to 2015-16, which is not consistent with the provisions of Companies Act, 2013 for the financial years 2014-15 and 2015-16 which amounts to Rs.1214.52 Crore.*	*The financial statements have been prepared in compliance with Provisions of Electricity (Supply Annual Accounts Rules 1985). Since ESAAR is silent on provision of depreciation on revalued portion of fixed assets, same treatment has been followed consistently for all the years.*
3) In the absence of full details of the expenses reimbursable to TANTRANSCO Ltd. from TANGEDCO Ltd and vice-versa, we are not in a position to certify the correctness or otherwise of these figures in the Revenue Account and Balance Sheet respectively.	*The inter-company transaction details are available in both TANTRANSCO and TANGEDCO circles; however the reconciliation will be completed in Head Quarter 2016-17.*
4) In the absence of full details of the Revenue/Income reimbursable to TANTRANSCO Ltd from TANGEDCO Ltd, we are not in the position to certify the correctness or otherwise of these figures in the Revenue Account and Balance Sheet respectively.	*The inter-company transaction details are available in both TANTRANSCO and TANGEDCO circles; however the reconciliation will be completed in Head Quarter during the FY 2016-17.*
5) The pension payments of existing pensioners of erstwhile TNEB are being paid by TANGEDCO since no segregation of pensioners' liability has been finalised in the provisional transfer scheme. The payments of pension to those who have retired from 1.4.2015 to 31.03.2016 are made by TANGEDCO and one seventh towards TANTRANSCO's share for the FY 2015-16 to the tune of Rs.283.68 Crs. has been made in the accounts.	*Factual*
6) We are not in a position to certify the correctness of the interunit / HQ since the reconciliation has not been carried out.	*The inter-unit transaction details are available in both Headquarters and circles; however the reconciliation will be completed during the FY 2016-17.*
7) We are not in a position to certify the correctness of the Liability for supply material.	*Factual. However steps will be taken to obtain the confirmations by 31.03.2017.*
8) Since adequate records are not maintained for DCW works, reconciliation of figures shown in the statement of accounts could not be carried out.	*The records being maintained will be updated and reconcilied by 31.3.2017 since the opening balance under this head has been incorporated as per the Final Transfer Scheme during the FY 2015-16.*

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
9) General Ledger: ***There is no general ledger maintained in the Head Office/Operation/GCCs and other units. Only monthly statement of account was maintained and general ledger is not maintained.***	***General ledger is being maintained. However the same will be updated.***
10) Details of service tax payable by the company from 01.07.2012 are not ascertainable in the absence of proper records by the GCCs/ Operation/ P&C NCESs and Head Office. The Company is reimbursing Service Tax on production of receipts of actual payment by the contractors concerned under the reverse charges mechanism as per the Service Act.	***Factual***
11) The Land purchased by TANTRANSCO Ltd. for establishment of sub-stations, the title deeds are registered in the name TANGEDCO Ltd/TNEB Ltd. and not in the name of TANTRANSCO Ltd in many cases.	***Necessary action will be taken to get registered the land in the name of TANTRANSCO that are coming under the purview of TANTRANSCO.***
12) SECURITY DEPOSIT, EMD & OTHER DEPOSITS RECEIVED FROM SUPPLIERS AND CONTRACTORS: Due to non-maintenance of proper records towards Security Deposit, EMD & Other Deposits received from suppliers and contractors, we are not in a position to certify whether proper accounting towards Revenue and Deposits.	***Factual. However steps will be taken to obtain the confirmations by 31.03.2017.***
13) SERVICE TAX ON HIRED VEHICLES: ***The Service tax paid by the Company on vehicles taken on hire is not uniform.***	***Service Tax payments are regulated in order to comply with the provisions of the present Act in force.***
14) POSTINGS IN INVENTORY RECORD BY GCC-CHENNAI: ***Postings in Stock Register is not subject to verification.*** ***In 'D' Section, of the said store, while valuing inventories, the value as given in the Stock Ledger is not in conformity with the rate adopted by the company. During the course of Audit certain rectification entries have been passed, under the circumstances the correctness or otherwise of the value adopted by the Chennai GCC could not be certified. Also its impact on the Revenue Account and Balance Sheet is not Ascertainable/Quantifiable.***	***The defects pointed out by the audit were rectified during the course of audit itself. Hence the value adopted in the stock ledger by the GCC Chennai is in confirmity with the rate adopted by the Company.***
15) CASH SECTION: ***In CANARA BANK Account (code no. 24:301) account no.22266, credit entries aggregating Rs. 11,16,631 /- are yet to be identified.***	***The same will be set right during the FY 2016-17.***

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16	
OBSERVATION OF STATUTORY AUDITOR	**MANAGEMENT REPLY**
16) Regarding employee subscription and the employer contributions towards provident fund and other funds, the company has not invested outside as generally done by similar company.	***Factual***
17) Register of Members and Register of Directors has not been updated.	***The same will be updated during the FY 2016-17.***
IN VIEW OF THE ABOVE, CONSEQUENTIAL IMPACT ON THE LOSS FOR THE YEAR AND RELEVANT ITEMS IN THE BALANCE SHEET IS NOT ASCERTAINABLE/ NOT QUANTIFIABLE,	
QUALIFIED OPINION In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act/ESAAR in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its Loss and its cash flows for the year ended on that date.	
EMPHASIS OF MATTER: ***Attention also is invited to the following notes as stated in part I of the Note to the accounts of the Company:***	
(1) Non Compliance of Following 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.***	***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.***
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 the Provisions of ESAAR.***

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
iii. Depreciation (Standard – 6) 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 consistantly followed and declared policy of the company.*
iv. 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 finalization of employees transfer.*
v. 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 TANTRANSCO has its own share of carried forward losses from erstwhile TNEB.*
(2) CALCULATION OF DEPRECIATION: *Depreciation on Assets have been calculated as per the regulations of Tamil Nadu Electricity Regulatory Commission and not as per COMPANIES ACT, 2013.*	*Factual*
(3) Since the company follows the provisions of ESAAR, 1985 the Balance Sheet and Statement of Profit & Loss and cash flow are not prepared as per of the Companies Act, 2013.	*Factual*
(4) LOAN RECEIVED FROM JICA & KfW through GoTN: *The Exchange rate variation for the drawal of loan has been provided in the accounts. The provision of interest and commitment charges have been made in the accounts as per the data published in the website of Controller of Aid Accounts and Audit, GoI.*	*Factual*
(5) In all nodal circles separate cash book is maintained since there is a separate bank account operated in the nodal circles only. Other than nodal circles, no separate cash book is maintained for TANTRANSCO .	*Factual*
(6) No independent Director has been appointed to the Board as per the Companies Act, 2013.	*The appointment of Independent Director is under process.*
(7) During the year No Internal Auditors have been appointed by the Company as per the Companies Act, 2013.	*This will be complied with during the year 2016-17.*

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
In our opinion and to the best of our information and according to the explanation given to us, subject to:	
(a) Note No.7 of Notes to Accounts Part-II on confirmation for the non-availability of balances for Secured loans, Sundry Creditors, Sundry Debtors, and Loan and Advances, other Deposits, Advances, Amount due to TANGEDCO and Amount due from TANGEDCO and all Staff Advances.	*Confirmation of balances for Secured Loans are available. However, in respect of some institutions, since the Loan Transfer Agreement has not been executed, the confirmation of balances have been furnished for TANTRANSCO and TANGEDCO together. Steps will be taken to obtain the confirmations in respect of balances for Sundry Creditors. Sundry Debtors and Loans and Advances, other Deposits, Advances, amount due to TANGEDCO and Amount due from TANGEDCO by 31.03.2017.*
(b) Note No.8 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*
(c) Note No.9 of Notes to Accounts Part-II on Interunit account value of Rs. (-)301.89 Crores which is subject to reconciliation.	*Factual. However steps will be taken to reconcile the same before 31.03.2017.*
(d) Note No.15 of Notes to Accounts Part-II, the transmission charges receivable from TANGEDCO and other open access customers have been limited to the extent of Rs.2305.24 crores for the year 2015-16.	*Factual*
(e) Note No.17 of Notes to Accounts Part-II on Terminal benefits not provided as per accounting standard.	*Factual*
(f) Note No.24 Non-provision of Terminal benefits such as Gratuity/Leave Encashment of EL/ Commutation of Pension on accrual basis.	*Factual*
(g) NoteNo.27(i) Receipt of transmission charges and wheeling charges on account of KAIGA share and MAP share to other SR constituents.	*Factual*
(h) Non reconciliation of dues payable to Karnataka and Andhra Pradesh Govt. on account of Transmission/Wheeling and Reactive Energy charges.	*Factual*
Report on Other Legal and Regulatory Requirements	
As required by Section 143 (3) of the Act, we report that:	

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.	*Factual*
(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.	*Factual*
(c) The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.	*Factual*
(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.	*Factual*
(e) The provisions of section 164 (2)of the Companies Act, 2013, on the disqualification of the directors are not applicable to the company as per paragraph serial No. 19 chapter 11 notification no. G.S.R 463 (E) dated 5th June 2015 of the Department of Company Affairs, Government of India;	*Factual*
(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.	***Factual***
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	***Factual***
(I) the company has disclosed the impact of pending litigations on its financial position in its financial statement.	***Factual***
(ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.	***Factual***
As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Sec 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.	

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT **(Referred to paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**	
Report on the Internal Financial Controls over Financial Reporting under clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013 ("the Act")	
We have audited the internal financial controls over financial reporting of Tamil Nadu Transmission Corporation Ltd. ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.	
Management's Responsibility for Internal Financial Controls: The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Companies Act, 2013.	
Auditor's Responsibility: Our responsibility is to express an opinion on the company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Sec 143 (10) of the Companies Act, 2013 to the extent applicable to an audit of Internal Financial Controls. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated efficiently in all material aspects.	

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
Our audit involves procedures to obtain audit evidence about adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls over Financial Reporting.	
Meaning of Internal Financial Controls over Financial Reporting: A company's Internal Financial Controls over Financial Reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorization of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely deduction of unauthorized acquisition, use, or disposition of the company's assets that could have a material on the financial statements.	
Inherent limitations of Internal Financial Controls over Financial Reporting: Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material mismanagements due to error or fraud may occur and not be deducted. Also projections of any evaluation of the Internal Financial Controls over Financial Reporting to future	

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
periods are subject to the risk that the Internal Financial Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.	
Opinion: In our opinion, to the best of our information and according to the explanations given to us, the company has in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls system over Financial Reporting were operating effectively as at March 31st , 2016, based on the Internal Financial Controls over Financial Reporting criteria established by the company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.	***Factual***
ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT **(Referred to paragraph (2) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended 31st March, 2016)**	
On the basis of checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:	
(i) In respect of Fixed Assets: a. The Government of Tamil Nadu has issued the G.O. for the Final Transfer Scheme with certain amendments vide G.O.(Ms.) No. 49, dated 13.8.2015. The Annual accounts for the FY 2015-16 and Balance sheet as on 31.3.2016 of TANTRANSCO has been prepared duly incorporating the opening Balance as per the Final Transfer Scheme.	***Factual***
b. The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.	***The assets registers are reconstructed in all units and updating is in progress.***
c. In our opinion and according to the explanation and information given to us, the company has not disposed off substantial part of fixed assets.	***Factual***
(ii) In respect of Inventories: The reconciliation between value of inventories as per stock registers and accounts are not carried out. Also in our opinion Systems and Procedures in the maintenance of stores ledger/records and their valuation needs strengthening.	***Steps are being taken to strengthen the procedures in the maintenance of stores ledger/records and their valuation.***

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
(iii) We are informed that there is no Company, firm or party to be listed in the register referred to in section 189 of Companies Act, 2013 and hence we have no comments to offer in this respect.	***Factual***
(iv) In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business. However, in our opinion Systems/Controls/General Controls/ Information Technology controls require to be strengthened/Developed to make the same commensurate with the size, Volume and Nature of Business of the Company.	***Factual. However, steps will be taken to strengthen/develop Systems/Controls/ Information Technology Controls.***
(v) The company has not accepted any deposits from public. Hence we have no comments to offer in respect of the same.	***Factual***
(vi) Pursuant to the rules made by the Central Government for maintenance of cost records under Sec 148(1) of the Companies Act 2013, we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.	***Factual***
(vii) In respect of Statutory Dues: (a) 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.	***Factual***
(b) The Company has been generally regular in depositing with appropriate authorities undisputed applicable statutory dues.	***Factual***
(c) The details of Service tax payable under reverse charges mechanism as per Service Tax Act from 1.7.2012 is not ascertainable. The company is reimbursing service tax on production of receipt of actual payments by the contractor concerned.	***Factual***
(d) We understand the company did not have disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, Value added Tax, cess and other material statutory dues with the appropriate authorities during the year applicable to it as on 31.3.2016.	***Factual***
(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions. The Company has taken loans from financial institutions and from the government and has not issued any debentures.	***Factual***

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16

OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
(ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.	***Factual***
(x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.	***Factual***
(xi) Based upon the audit procedures performed and the information and explanations given by the management, provisions of section 197 read with Schedule V to the Companies Act regarding the managerial remuneration are not applicable.	***Factual***
(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.	***Factual***
(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.	***Factual***
(xiv)Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.	***Factual***
(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.	***Factual***
(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.	***Factual***

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2015-16	
OBSERVATION OF STATUTORY AUDITOR	**MANAGEMENT REPLY**
(xvii)(A) During the year, the Company has received the following loans from various Financial Institutions and other International Agencies	***Factual***
(a) Rural Electrification Corporation Ltd., New Delhi - Rs. 1050.81 Crs.	
(b) Power Finance Corporation Ltd., New Delhi - Rs. 491.88 Crs.	
(c) NABARD - Rs. 45.58 Crs.	
(d) Loan from GoTN under JICA - Rs. 521.59 Crs.	
(e) Loan from GoTN under KfW, Germany - Rs. 133 Crs.	
TOTAL - Rs. 2242.86 Crs.	
(B) According to the information given to us the loans were utilized for the purpose for which the loans were obtained.	***Factual***

CS V. MAHESH & ASSOCIATES
COMPANY SECRETARIES

39/19, Aspen Court, 3rd Floor,
6th Main Road, R.A. Puram,
Chennai – 600 028.
Telefax : 91 (44) 2435 4113
Phone : 91 (44) 4317 4474
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SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tamilnadu Transmission Corporation Limited,
NPKRR MALIGAI, (TNEB OFFICE),
144, ANNA SALAI,
CHENNAI – 600002.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. Tamilnadu Transmission Corporation Limited** (here in after called the **''Company''**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure – A for the financial year ended on 31st March 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; However during the year under purview there were no instance attracting the following laws/regulations:

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(iii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(viii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(ix) The Securities and Exchange Board of India (SubstantialAcquisition of Shares and Takeovers) Regulations, 2011;

(x) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(xi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review and based on the documents provided and declarations given by the Company, we are of the opinion that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc, mentioned above except the as stated in the Annexure C which is annexed as a part of the Report.

We further report that

The constitution of the Board as well as the Committees of the Board is in compliance with the Companies Act, 2013, agenda and detailed notes on agenda are being sent to the directors before the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For V. Mahesh & Associates

V. Parthasarathy
Practicing Company Secretary
M. No. A 2727
C.P No. : 8355

Place : Chennai
Date : 26/09/2016

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A, B and C' and forms an integral part of this report.

ANNEXURE - A

List of documents verified during the process of Audit:

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, along with Attendance Register held during the financial year under report.
3. Minutes of General Body Meetings held during the financial year under report.
4. Notices calling for Board and Committee Meetings.
5. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.

For V. Mahesh & Associates

V. Parthasarathy
Practicing Company Secretary
M. No. A 2727
C.P No. : 8355

ANNEXURE - B

To

Tamilnadu Transmission Corporation Limited,

NPKRR MALIGAI, (TNEB OFFICE),

144, ANNA SALAI,

CHENNAI – 600002.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. On verification, we found the following.

The discrepancy list is attached as per the Annexure C

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We were not required to verify the correctness and appropriateness of financial records and Books of Accounts of the Company and we have relied on the Audited Accounts certified by the Statutory Auditors.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V. Mahesh & Associates

V. Parthasarathy
Practicing Company Secretary
M. No. A 2727
C.P No. : 8355

Place : Chennai
Date : 26/09/2016

ANNEXURE - C

List of Non- Compliance of Secretarial Record:

1. Disclosure of Interest of all Directors to be given in the First Board Meeting of the Financial Year.
2. For the loan availed from TN Power Finance & Infrastructure Corporation Ltd of amount 2,90,38,59,269 Form CHG-1 was not filed
3. Forms for extension of time limit for convening the AGM is not available.
4. No Board Meeting was convened for appointment of Ms. Maheshwari Bai
5. Board Meeting notices are not given 7days' in advance.
6. ADT-1 not available for Statutory Auditor for the year under review.
7. Form DIR-12 not available for Mr.Pandi.

2. ANNUAL GENERAL MEETING:

Non Compliances:

1. Notice not sent before 21days. Shorter Notice with consent of 90% of Shareholders consent is not given.(Date of AGM & Issue of notice on same date 29/11/2015)

2. No explanatory statement for special business(increase in authorized capital), no route map, no proxy form

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

1. Policy contents to be disclosed in the website and board report
2. To spend 2% of the Average net profits as per Schedule VII

4. AUDIT COMMITTEE MEETING:

1. Policy and terms of reference shall be in writing as specified in Section 177(4) of the Companies Act, 2013 but need not include recommendation, terms of appointment need not be included as this provision exempted as per companies act 2013.
2. Composition of audit committee to be disclosed
3. Disclosure about Audit committee- policy to be formulated and disclosed in the Board report & on the company's website
4. Majority of Audit Committee Members shall possess the ability to read and understand the financial Statements.

5. VIGIL MECHANISM:

To be disclosed in the website and board report

6. INTERNAL AUDIT:

No Forms available for appointment of Internal Auditor. MGT 14 has to be filed as per Rule 8 of Section 179(3).

7. SHARE CERTIFICATE:

To be maintained as per Companies Act 2013.

8. SECRETARIAL STANDARD 1 & 2:

The Company has not followed Secretarial Standards in Convening the Board Meeting and General Meeting.

9. REGISTERS

1. Register of Charges to be updated in New Register and has to be altered.
2. Register of Members to be updated.
3. Register of transfer not updated.
4. Allotment of Shares not updated.

For V. Mahesh & Associates

V. Parthasarathy
Practicing Company Secretary
M. No. A 2727
C.P No. : 8355

Place : Chennai
Date : 26/09/2016

TAMIL NADU TRANSMISSION CORPORATION LIMITED

MANAGEMENT REPLY FOR THE SECRETARIAL AUDIT REPORT FOR THE FY ENDED 31.3.2016.

Sl.No.	Qualification	Reply
(1)	**LIST OF NON-COMPLIANCE OF SECRETARIAL RECORDS**	
1	Disclosure of interest of all Directors to be given in the First Board Meeting of the Financial year	The Disclosure of Interest of Directors will be made
2	For the loan availed from TN Power Finance & Infrasturcture Corporation Ltd. of amount Rs. 2,90,38,59,269 Form CHG-I was not filed	The Final Loan Transfer Agreement is yet to be executed with TNPFC as per the Final Transfer Scheme. On execution of the same, Form CHG-I will be filed immediately.
3	Forms for extension of time limit for convening the AGM is not available	Form GNL-1 for extension of period of AGM has been filed with RoC on 13.9.2016 and approved by the MCA on 19.9.2016.
4	No Board Meeting was convened for appointment of Ms. Maheswari Bai	Appointment of Ms. M.Maheswari Bai has been approved by the Board in its 65th meeting held on 23.8.2016.
5	Board Meeting notices are not given 7 days' in advance.	Most of the times 7 days notice was maintained. This compliance will be adhered in future
6	ADT-I not available for Statutory Auditor for the year under review	The filing of ADT-I will be ensured.
7	Form DIR - 12 not available for Mr. Pandi	Since rectified.
(2)	**ANNUAL GENERAL MEETING**	
	Non Complicances	
1	Notice not sent before 21 days Shorter Notice with consent of 90% of shareholders consent is not given (Date of AGM & issue of notice on same date 29/11/2015)	For all AGMs convened with less than 21 days notice, consent of 90% shareholders has been obtained
2	No explanatory statement for special business (increase in authorized capital). No route map. No. proxy form.	Proxy forms and explantory statement has been given for all AGM and the same will be maintained.
(3)	**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**	
1	Policy contents to be disclosed in the website and board report	The framing of policy is under process and the same will be disclosed in the website on approval
2	To spent 2% of the Average net profits as per Schedule VII	This will be complied with as per the provisions of Companies Act
(4)	**AUDIT COMMITTEE MEETING**	
1	Policy and terms of reference shall be in writing as specified in Section 177 (4) of the Companies Act, 2013 but need not include recommendation, terms of appointment need not be included as this provision exempted as per Companies Act, 2013.	The provisions of the Companies Act, 2013 have been complied with.

TAMIL NADU TRANSMISSION CORPORATION LIMITED

MANAGEMENT REPLY FOR THE SECRETARIAL AUDIT REPORT FOR THE FY ENDED 31.3.2016.

Sl.No.	Qualification	Reply
2 3	Composition of audit committee to be disclosed Disclosure about Audit Committee policy to be formulated and disclosed in the Board report & on the company's website	The composition of Audit Committee has been disclosed in the Directors' Report and the same will be disclosed in the company's website
4	Majority of Audit Committee Members shall possess the ability to read and understand the financial statement.	Members of the Audit Committee do posses the ability to read and understand the financial statement
(5)	**VIGIL MECHANISM** To be disclosed in the website and board report	The same will be disclosed in the website and board report in future
(6)	**INTERNAL AUDIT:** No Forms available for appointment of Internal Auditor MGT 14 has to be filed as per Rule 8 of Section 179(3)	This provision has been complied with during the FY 2016-17. Necessary forms will be filed with RoC.
(7)	**SHARE CERTIFICATE** To be maintained as per Companies Act, 2013	will be maintained as per the Companies Act, 2013.
(8)	**SECRETARIAL STAND 1 & 2** The Company has not followed Secretarial Standards in convening the Board Meeting and General Meeting.	Secretarial standards will be followed for convening the Board Meeting and General Meeting.
(9) 1	**REGISTERS** Register of Charges to be updated in New Register and has to be altered	Since updated
2	Register of Members to be updated	Since updated
3	Register of transfer not updated	Since updated
4	Allotment of shares not updated	Since updated

TAMIL NADU TRANSMISSION CORPORATION LIMITED

REVENUE ACCOUNT FOR THE YEAR 2015-16					STATEMENT-1
Sch. No.	Particulars	This Year 2015-16		Previous year 2014-15	
	UNITS SOLD (in MU)	**0**		**0**	
		(Rupees in lakhs)			
	INCOME				
1	Revenue from Sale of power	**230524**		**177607**	
4	Revenue subsidies & Grants			**0**	
5	Other Income	**20184**		**16015**	
	Total Income "A"		**250708**		**193622**
	EXPENDITURE				
6	Purchase of power	**0**		**0**	
7	Generation of Power	**0**		**0**	
8	Repairs & Maintenance	**1353**		**1102**	
9	Employee costs	**96499**		**83008**	
10	Admn.& Genl.Expenses	**25123**		**15297**	
11	Depreciation & other related debits	**48761**		**56802**	
12	Interest and Finance charges	**137934**		**92735**	
	Sub Total "B"		**309670**		**248945**
	Less: Expenses capitalised:				
13	Interest & finance charges capitalised	**31953**		**29135**	
14	Other expenses capitalised	**15302**		**13772**	
	Total expenses capitalised "C"		**47255**		**42907**
	Sub Total (B) - (C)		**262416**		**206038**
15	Other Debits	**49**		**0**	
16	Extra ordinary items	**0**	**49**	**0**	**0**
	Total (D)		**262465**		**206038**
	Profit before Tax (A)-(D)		**(11757)**		**(12416)**
17	Provision for income tax		**-**		**-**
	Profit after tax		**(11757)**		**(12416)**
18	Net prior period charges/Credit	**14583**	**14583**		**(1123)**
	SURPLUS/DEFICIT		**(26340)**		**(11293)**

Surplus as a percentage of the value of fixed assets of the Board in service at the beginning of the year: -2.29% -1.15%

Dr.K. MUTHUPANDIAN
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

M. MAHESWARI BAI
DIRECTOR/FINANCE
TANTRANSCO

S. SHANMUGAM
MANAGING DIRECTOR
TANTRANSCO

COMPANY SECRETARY
TANTRANSCO

FOR PADMANABHAN PRAKASH & CO.
CHARTERED ACCOUNTANTS
FR No. : 002509S

S. RADHAKRISHNAN
Partner
M.No. 018815

TAMIL NADU TRANSMISSION CORPORATION LIMITED

NET REVENUE AND APPROPRIATION ACCOUNT FOR THE YEAR 2015-16			STATEMENT-2
Sl. No.	Particulars	This Year 2015-16	Previous year 2014-15
		(Rupees in lakhs)	
1	Balance brought forward from last year	**(260031)**	(248738)
2	Surplus from Revenue Account	**(26340)**	(11293)
3	Less: Reversal of opening Accumulated Deficit as per provisional Transfer Scheme	**403182**	-
4	Gross surplus	**116811**	
5	Revaluation Reserve	**472044**	
6	Appropriations - i) Contributions to Reserve and Reserve Funds ii) Contribution to Development Fund	 **-** **-**	 - -
	Balance carried forward	**588855**	**(260031)**

Dr.K. MUTHUPANDIAN
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

M. MAHESWARI BAI
DIRECTOR/FINANCE
TANTRANSCO

S. SHANMUGAM
MANAGING DIRECTOR
TANTRANSCO

COMPANY SECRETARY
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FOR PADMANABHAN PRAKASH & CO.
CHARTERED ACCOUNTANTS
FR No. : 002509S

S. RADHAKRISHNAN
Partner
M.No. 018815

TAMIL NADU TRANSMISSION CORPORATION LIMITED

BALANCE SHEET AS AT 31.3.2016					STATEMENT-3
Sch. No.	Particulars	This year as at 31st March 2016		Previous Year as at 31st March 2015	
		(Rupees in lakhs)			
	NET ASSETS				
19	**Gross Block**		3054407		1764358
	Less: Accumulated Depreciation		375795		498038
	NET FIXED ASSETS		**2678611**		**1266320**
21	Capital Expenditure in Progress		620028		488484
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	2761107		2136081	
	Less: TOTAL CURRENT LIABILITIES				
27	Security Deposits from Consumers	0		0	
28	Other Current Liabilities	3615335		2524764	
	TOTAL CURRENT LIABILITIES	**3615335**		**2524764**	
	NET CURRENT ASSETS		**(854228)**		**(388682)**
29	Subsidy Receivable from Govt.		0		0
	Deficit		0	260031	260031
	NET ASSETS		**2444412**		**1626152**
	FINANCED BY				
30	Borrowings for Working Capital		0		62742
31	Payments due on Capital Liabiliites		56413		2619
32	Capital Liabilities		999848		1071010
33	Funds from State Government		498543		388099
34	Contributions,Grants and Subsidies		141722		8096
35	Reserves and Reserve Funds		159031		93585
	Surplus		**116811**		**-**
	Revaluation Reserve		**472044**		
	TOTAL FUNDS		**2444412**		**1626152**

Dr.K. MUTHUPANDIAN
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

M. MAHESWARI BAI
DIRECTOR/FINANCE
TANTRANSCO

S. SHANMUGAM
MANAGING DIRECTOR
TANTRANSCO

COMPANY SECRETARY
TANTRANSCO

FOR PADMANABHAN PRAKASH & CO.
CHARTERED ACCOUNTANTS
FR No. : 002509S

S. RADHAKRISHNAN
Partner
M.No. 018815

TAMIL NADU TRANSMISSION CORPORATION LIMITED

REVENUE FROM TRANSMISSION CHARGES					SCHEDULE-4
Sl. No.	Particulars	Tariff	Account Code	This year 2015-16 Rs.	Previous year 2014-15 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	0	
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 railwaty 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	2305,23,75,176	1776,06,63,733
26	Misc.charges from consumers (Testing Fees)		61.900	0	0
	GROSS REVENUE			**2305,23,75,176**	**1776,06,63,733**
27	**Electricty Duty Payable**	61.541 to	61.579		
	GRAND TOTAL			**2305,23,75,176**	**1776,06,63,733**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

OTHER INCOME				SCHEDULE-5
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Interest on staff loans and advances	62.210 to 62.219	1,82,35,590	1,07,33,738
2	Income from Investments	62.220 to 62.239	0	
3	Interest on Loans & Advances to Licensees	62.240		
4	Delayed Payment Surcharges collected from consumers	62.250		1,46,872
5	Interest on Advances to Suppliers/Contractors	62.260	4,139	1,188
6	Interest from Banks (Other than Fixed Deposit)	62.270	2,87,661	1,84,313
7	Income from Trading	62.300	1,81,35,988	1,44,69,291
8	Rebate on Power Purchase Bills	62.365	3,21,000	5,86,500
9	Income from Staff Welfare activities	62.600	1,79,428	1,68,523
10	Miscellaneous Receipts	62.900	198,12,56,679	157,52,00,259
	Total		**201,84,20,485**	**160,14,90,684**

REPAIRS AND MAINTENANCE				SCHEDULE-8
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
	Repairs and Maintenance to:			
1	Plant & Machinery	74.110	8,75,93,602	6,63,25,614
2	Buildings	74.210	15,88,347	52,97,900
3	Civil Works	74.310	42,56,204	61,33,453
4	Hydraulic Works	74.410	18,258	
5	Lines, Cables & Networks etc.	74.510	3,37,94,988	2,50,55,648
6	Vehicles	74.600	49,29,808	43,89,171
7	Furniture & Fixtures	74.701	54,512	27,572
8	Office Equipments	74.801	30,79,808	29,61,658
	TOTAL		**13,53,15,527**	**11,01,91,016**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

EMPLOYEE COST				SCHEDULE-9
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Salaries	75.100	257,04,00,797	229,74,13,962
2	Overtime	75.200	12,38,44,551	6,66,90,593
3	Dearness Allowance	75.300	299,42,92,353	234,65,56,131
4	Other Allowance	75.400	18,50,91,193	16,71,25,266
5	Bonus	75.500	7,75,82,233	7,07,26,155
	Sub-Total (1 to 5)		**595,12,11,127**	**494,85,12,107**
6	Medical Expenses Reimbursement	75.611	23,04,127	39,39,478
7	Leave Travel Assistance	75.612	3,76,857	1,65,566
8	Earned Leave Encashment	75.617	33,84,33,410	26,70,64,489
9	Payment Under Workmen's Compensation Act	75.629	4,70,04,666	4,78,73,064
	Sub-Total:Other Staff Costs(6 to 9)		**38,81,19,060**	**31,90,42,597**
10	Staff Welfare Expenses	75.700	40,72,383	60,19,389
11	Terminal Benefits	75.800	317,40,03,411	293,63,39,909
12	Board's Contribution to CPS	75.870	13,24,68,767	9,09,20,796
13	Other staff costs	75.600-610		
14	Thermal/Performance/Commissioning/ Golden Jubilee Incentive	75.503-510		
	SUB TOTAL (10 to 12)		**331,05,44,561**	**303,32,80,094**
	Grand Total		**964,98,74,748**	**830,08,34,798**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

ADMINISTRATION AND GENERAL EXPENSES				SCHEDULE-10
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Rent/Rates and Taxes	76.101,103	80,64,831	67,39,664
2	Insurance	76.104,106,107	7,98,235	4,20,180
3	Insurance(1%on the Net fixed Assets)	76.109	220,62,36,754	126,63,19,754
4	Telephone/Postage/Telegram/Telex charges	76.111 to 119	1,12,41,708	1,04,56,261
5	Legal Charges	76.120,121	1,10,64,568	23,56,054
6	Audit Fees	76.122	7,24,500	6,80,000
7	Consultancy Charges	76.123	0	25,62,416
8	Technical Fees	76.124	7,53,452	6,01,038
9	Other Professional Charges	76.125,126 & 129	17,909	17,547
10	Conveyance & Travel	76.131 to 140	13,82,80,882	12,66,68,250
	Sub-Total		**237,71,82,839**	**141,68,21,164**
	OTHER EXPENSES			
1	Fuel for operating machines	76.108		
2	Fees & Subscription	76.151	58,139	27,021
3	Books & Periodicals	76.152	70,648	31,694
4	Printing & Stationery	76.153	41,19,938	41,14,569
5	Training Expenses	76.154	15,37,021	25,99,845
6	Advertisement Expenses	76.155	20,17,654	12,04,031
7	Subscriptions/Contributions to Books & Periodicals	76.157		
8	Electricity Charges	76.158	1,02,22,362	89,54,431
9	Water Charges	76.160	21,96,616	19,59,615
10	Entertainment/Recreations for employees	76.162		
11	Watch and Ward Expenses.	76.163	7,63,14,601	6,19,22,349
12	Petty Office Maintenance Expenses.	76.164	23,47,375	15,34,805
13	Miscellaneous Expenses	76.190	94,25,108	1,16,34,579
	Sub-Total		**10,83,09,462**	**9,39,82,939**
14	Freight	76.210 to 240	2,49,41,906	1,71,73,416
15	Other Purchase related Expenses.	76.270 to 281	15,85,418	17,37,816
16	Honororium (Food Allwo.) for SO in Chennai	76.194	3,11,678	
17	Reward for theft of energy/Spl reward vigilance	76.127 & 76.128	0	
18	Material related expenses	76.200-76.209		
19	Registrar of Companies	76.300 to 899	0	0
20	Fringe Benefit Tax	76.193		
	Sub-Total		**2,68,39,002**	**1,89,11,232**
	GRAND TOTAL		**251,23,31,303**	**152,97,15,335**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

DEPRECIATION AND RELATED DEBITS (NET)				SCHEDULE-11
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Depreciation	77.100,200	487,60,79,989	568,02,26,551
2	Asset decommissioning costs	77.500	0	
3	Small and low value items	77.600		
	Sub-Total (1 to 3)		**487,60,79,989**	**568,02,26,551**
4	Written down value of assets scrapped	77.710		
5	Write off of deficits of fixed assets observed upon Physical verification	77.720		
6	Loss on sale of Fixed assets	77.730		
7	Others	77.300 to 77.499		
	Sub-Total (5 to 8)		**0**	**0**
	Total Debits (4+9)		**487,60,79,989**	**568,02,26,551**
	LESS: Gain on sale of Assets.	62.400		
	TOTAL		**487,60,79,989**	**568,02,26,551**

INTEREST AND FINANCE CHARGES				SCHEDULE-12
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Interest on State Govt. Loan	78.100	2,29,46,279	
2	Interest on bonds	78.200	170,72,78,713	120,72,29,216
3	Interest on Debentures	78.300		
4	Interest on Foreign Currency Loans/credits	78.400		
5	Interest on other Loans/Deferred credits	78.500	1065,25,85,588	751,76,27,794
6	Penal Interest in respect on Capital liabilities	**78.591 to 78.599**	12,58,34,002	13,16,04,293
7	Interest on Security deposit from consumers	78.600		
8	Interest on MCD	78.610		
	TOTAL INT.ON CAPITAL LIABILITIES		**1250,86,44,582**	**885,64,61,303**
9	Interest on borrowings for Working Capital	78.700		
	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	33,61,37,756	23,01,22,297
13	Other Interest	78.853 to 860	12,26,67,515	6,97,40,448
14	Cost of raising finance/Commitment charges.	78.861 to 873	3,75,37,475	3,67,76,838
15	Other Bank Charges/Penal int for E.tax	78.874 to 883	67,36,12,129	4,71,433
16	Guarantee commission to State Government	78.884 to 899	11,48,19,190	7,99,14,000
	TOTAL		**1379,34,18,647**	**927,34,86,319**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

INTEREST AND FINANCE CHARGES CAPITALISED				SCHEDULE-13
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
	INTEREST CHARGES CAPITALISED			
1	Normal Interest Capitalised	78.910	6,89,60,502	4,14,85,330
2	Interest during Construction stage	78.900	312,63,39,286	287,20,22,348
	TOTAL		**319,52,99,788**	**291,35,07,678**

OTHER EXPENSES CAPITALISED				SCHEDULE-14
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Repair and Maintenance Capitalised	74.900	3,79,11,559	1,46,23,251
2	Employee cost Capitalised	75.900	97,40,08,507	89,55,97,204
3	Fabrication charges added to the stock	76.282	68,701	45,144
4	Administration and General Expenses Capitalised	76.900	50,58,56,221	46,55,59,696
5	Depreciation and other related costs capitalised	77.900	80,07,249	13,31,626
6	Other debits capitalised	79.900	43,13,459	
7	Capitalisation of cost of gen.during Trial stage	71.900		
	TOTAL		**153,01,65,696**	**137,71,56,921**

OTHER DEBITS				SCHEDULE-15
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Material Cost Variance	79.100	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	49,30,819	
5	Sundry Expenses/Rebate on SOP/Tr.charges	79.700/79.610		
6	Intangable asset written off	79710		
7	Provision for Hydro Balancing Fund	79750		
	TOTAL		**49,30,819**	**0**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

WORKING OF INTEREST DURING CONSTRUCTION 2015-16 (Prior period)

Particulars based on			ACS (Rs.)	BNA
1. (a) and (b)				
Net Assets shown in Balance Sheet		23,97,68,863		
Asset at Constn. Stage as per schedule 21				
(prior to charging IDC)		5,66,35,219	5,66,35,219	18,31,33,643
2. Reducing of ACS due to excess }		58,93,623	58,93,623	
Liab.over stores & Payment. }				
Liab.for Cap.Supply and Works schedule 28 item 3	**A**	83,25,195		
Current Assets Cap.Stores schedule 26 a item 4	**1**	17,36,319		
Adv.for Cap.Supply schedule 21 item 6	**2**	6,95,253		
	B(1+2)	24,31,572		
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		0		
Payment due on Capital Liabilities schedule 31		5641254		
Loan having int.holiday and other int. free Liab.sch.34		0		
Reserve Funds				
Reserve Fund Sch.35		38,50,330		
Reserves		6,62,65,894		
Int. bearing Cap.liab.Sch.32		10,84,83,841		
Consumer contribution & grants towards cost of capital assets		1,41,72,241		
Equity sch.33		4,13,55,303		
Total		23,97,68,863		
TALLY WITH TOTAL ASSET SIDE		**23,97,68,863**		
Adjustment to ACS &BNA based on para 5		23,38,75,240	5,07,41,596	18,31,33,643
5. a. Deducting borrowing for working capital				
and payment due on Cap.liabilities from BNA		0		0
SUB TOTAL (5-5a)	**I**	23,38,75,240	5,07,41,596	18,31,33,643
5.b. Payments due on Capital Liabilities		0		0
5.c. Int. free Loans, int. holiday Funds}				
spread over ACS & BNA }		0	0	0
Sub TOTAL I-5.c	**II**	23,38,75,240	5,07,41,596	18,31,33,643
5.d. Investment against funds		0	0	0
5.e. Determination of own Funds:				
1 Reserves fund over Investment		38,50,330		
2 Reserves		6,62,65,894		
3 Equity Share Capital		4,13,55,303		
4 Consumer contribution & grants towards cost of capital assets		1,41,72,241		
SUB TOTAL (5e(1+2+3+4))	**III**	12,56,43,767	2,72,59,685	9,83,84,082
		10,82,31,473	2,34,81,912	8,47,49,561
Net Total	**II-III**			
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		10,82,39,945	3,06,21,720	7,76,18,225
Balance at the closing of the year		10,82,31,473	2,34,81,912	8,47,49,561
AVERAGE VALUE OF ACS & BNA		10,82,35,709	2,70,51,816	8,11,83,893
8. Int. payable on Cap. Liab. as per Sch.12		1,25,08,645	31,26,339	93,82,305
THEREFORE IDC TO BE CHARGED		**Rs.312,63,39,286**		

TAMIL NADU TRANSMISSION CORPORATION LIMITED

NET PRIOR PERIOD CREDITS/CHARGES				SCHEDULE-18
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	**Income relating to previous year**			
a.	Fuel related gains	65.100		
b.	Receipts from consumers	65.200	13,27,095	2,92,45,929
c.	Interest Income	65.400	6,220	
d.	Excess provision for I.T.	65.500		3,14,543
e.	Excess provision for Depreciation	65.600	807,78,39,857	
f.	Excess provn. for Int.& Fin.charges	65.700	839,45,70,396	8,16,22,637
g.	Other excess provision	65.800	186,64,64,941	10,90,45,288
h.	Other income	65.900	19,73,52,976	24,94,10,604
	Total		**1853,75,61,485**	**46,96,39,001**
2	**Prior Period Expenses/losses**			
a.	Short provision for power purchase	83.100		
b.	Fuel related losses and expenses	83.200	0	
c.	Operating expenses	83.300	0	
d.	Material related expenses	83.400		6,93,34,321
e.	Employees cost	83.500	5,56,18,740	23,99,95,924
f.	Depreciation under provided	83.600		
g.	Interest &Finance charges	83.700	1491,27,97,367	1,50,150
h.	Other charges	83.800	502,74,44,465	4,78,35,144
	Total		**1999,58,60,572**	**35,73,15,539**
3	**Net Prior period credits (A/C Code 65)**		**0**	**11,23,23,462**
	Net Prior period charges (A/C Code83)		**145,82,99,087**	**-11,23,23,462**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

FIXED ASSETS AND PROVISION FOR DEPRECIATION						SCHEDULE-19
GROSS BLOCK						
Sl. No.	Asset Group	Account Code No.	At the end of previous year 31.3.2015 Rs.	Additions during 2015-16 Rs.	Deductions during 2015-16 Rs.	At the end of the year 31.03.2016 Rs.
1	Land and Land rights	10.100	**29,07,63,83,892**	**45,59,16,93,638**	**0**	**74,66,80,77,530**
			(28,83,42,68451)	*(24,21,15,441)*	*(0)*	*(29,07,63,83,892)*
2	Buildings	10.200	**4,32,53,01,329**	**2,56,38,06,682**		**6,88,91,08,011**
			(3,59,83,51,046)	*(72,69,50,283)*		*(4,32,53,01,329)*
3	Hydraulic works	10.300	**2,27,52,509**	**50,26,458**	**0**	**2,77,78,967**
			(2,25,20,628)	*(2,31,881)*		*(2,27,52,509)*
4	Other civil works	10.400	**3,47,34,22,860**	**1,01,67,97,206**		**4,49,02,20,066**
			(2,20,05,08,086)	*(1,27,35,87,210)*	*(6,72,436)*	*(3,47,34,22,860)*
5	Plant & Machinery	10.500	**5547,51,73,548**	**2712,07,55,575**	**3,20,16,169**	**8256,39,12,954**
			(49,07,21,69,246)	*(6,42,25,14,305)*	*(1,95,10,003)*	*(55,47,51,73,548)*
6	Lines & Cables Network	10.600	**8291,09,19,358**	**5361,92,47,910**	**(1,17,52,816)**	**13654,19,20,084**
			(57,39,64,39,265)	*(25,51,51,29,255)*	*(6,49,162)*	*(82,91,09,19,358)*
7	Vehicles	10.700	**25,21,56,486**	**(23,08,12,631)**	**15,16,299**	**1,98,27,556**
			(25,20,61,759)	*(17,08,541)*	*(16,13,814)*	*(25,21,56,486)*
8	Furniture & Fixtures	10.800	**21,48,48,566**	**(16,11,99,343)**	**4,37,321**	**5,32,11,902**
			(21,40,90,483)	*(10,10,648)*	*(2,52,565)*	*(21,48,48,566)*
9	Office Equipment	10.900	**68,41,75,166**	**(49,53,78,362)**	**22,00,935**	**18,65,95,869**
			(68,06,39,698)	*(38,27,661)*	*(2,92,193)*	*(68,41,75,166)*
	Sub-Total		**17643,51,33,714**	**12902,99,37,134**	**2,44,17,908**	**30544,06,52,940**
			(1,42,27,10,48,662)	*(34,18,70,75,225)*	*(2,29,90,173)*	*(1,76,43,51,33,714)*
10	Capital Expenditure Resulting in an asset not belonging to the Board	11.100	**6,31,617**	**(6,31,617)**	**0**	**0**
			(6,31,617)			*(6,31,617)*
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**	**(6,31,617)**	**0**	0
			(6,31,617)	*(0)*	*(0)*	*(6,31,617)*
	GRAND TOTAL		**17643,57,65,331**	**129,02,93,05,517**	**2,44,17,908**	***30544,06,52,940***
			(1,42,27,16,80,279)	*(34,18,70,75,225)*	*(2,29,90,173)*	*(1,76,43,57,65,331)*

Note : Figures shown in brackets relates to previous year.

TAMIL NADU TRANSMISSION CORPORATION LIMITED

FIXED ASSETS AND PROVISION FOR DEPRECIATION **SCHEDULE-19**

Sl. No.	Asset Group	Account Code No.	DEPRECIATION			
			At the end of previous year 31.3.2015 Rs.	Additions during 2015-16 Rs.	Deductions during 2015-16 Rs.	At the end of the year 31.03.2016 Rs.
1	Land and Land rights	12.100	**4,931**	*0*	*4,931*	*0*
			(0)	*(4,931)*		*(4,931)*
2	Buildings	12.200	**74,43,60,124**	**24,09,88,922**	**31,67,15,317**	**66,86,33,729**
			(62,60,03,459)	*(11,83,56,665)*		*(74,43,60,124)*
3	Hydraulic works	12.300	**85,18,745**	**1,47,14,941**	**30,20,905**	**2,02,12,781**
			(73,78,609)	*(11,40,136)*		*(85,18,745)*
4	Other civil works	12.400	**31,38,44,102**	**66,51,56,025**	**14,15,88,308**	**83,74,11,819**
			(24,23,61,583)	*(7,14,82,519)*		*(31,38,44,102)*
5	Plant & Machinery	12.500	**2299,64,18,936**	**52,36,56,396**	**751,68,92,119**	**1600,31,83,213**
			(20,51,25,49,583)	*(2,49,88,06,169)*	*(1,49,36,816)*	*(22,99,64,18,936)*
6	Lines & Cables Network	12.600	**24,91,37,33,471**	**2,73,24,36,868**	**7,68,68,83,299**	**19,95,92,87,040**
			(2,20,024,30,007)	*(2,91,17,54,137)*	*(450,673)*	*(24,91,37,33,471)*
7	Vehicles	12.700	**29,08,55,079**	**(23,01,28,998)**	**4,76,08,381**	**1,31,17,700**
			(28,22,59,973)	*(96,54,455)*	*(10,59,349)*	*(29,08,55,079)*
8	Furniture & Fixtures	12.800	**16,49,53,195**	**(9,98,29,856)**	**4,68,42,964**	**1,82,80,375**
			(15,53,28,520)	*(98,54,300)*	*(2,29,625)*	*(16,49,53,195)*
9	Office Equipment	12.900	**37,04,00,963**	**(12,93,33,015)**	**18,16,83,284**	**5,93,84,664**
			(31,13,33,715)	*(5,91,50,750)*	*(83,502)*	*(37,04,00,963)*
	Sub-Total		**4980,30,89,546**	**371,76,61,282**	**1594,12,39,508**	**3757,95,11,320**
			(44,13,96,45,449)	*(5,68,02,04,062)*	*(1,67,59,965)*	*(49,80,30,89,546)*
10	Capital Expenditure Resulting in an asset not belonging to the Board	13.100	**5,91,225**	**(5,53,328)**	*37,897*	**0**
			(5,91,225)			*(5,91,225)*
11	Spare units	13.200	**1,08,947**		**1,08,947**	**0**
			(75,658)	*(33,289)*		*(108,947)*
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		**7,00,172**	**(5,53,328)**	**1,46,844**	**0**
			(6,66,883)	*(33,289)*	*(0)*	*(7,00,172)*
	GRAND TOTAL		**4980,37,89,718**	**371,71,07,954**	**1594,13,86,352**	**3757,95,11,320**
			(44,14,03,12,332)	*(5,68,02,37,351)*	*(1,67,59,965)*	*(49,80,37,89,718)*

Note: Figures shown in brackets relates to previous year.

TAMIL NADU TRANSMISSION CORPORATION LIMITED

FIXED ASSETS AND PROVISION FOR DEPRECIATION			NET BLOCK	SCHEDULE-19
Sl. No.	Asset Group	Account Code No.	At the end of the year 31.03.2016 Rs.	At the end of the year 31.03.2015 Rs.
1	Land and Land rights	10.100	**7466,80,77,530**	**2907,63,78,961**
			(2907,63,78,961)	*(28,83,42,68,451)*
2	Buildings	10.200	**622,04,74,282**	**358,09,41,205**
			(358,09,41,205)	*(2,97,23,47,587)*
3	Hydraulic works	10.300	**75,66,186**	**1,42,33,764**
			(1,42,33,764)	*(1,51,42,019)*
4	Other civil works	10.400	**365,28,08,247**	**315,95,78,758**
			(3,15,95,78,758)	*(1,95,81,46,503)*
5	Plant & Machinery	10.500	**6656,07,29,741**	**3247,87,54,612**
			(3247,87,54,612)	*(28,55,96,19,663)*
6	Lines & Cables Network	10.600	**11658,26,33,044**	**5799,71,85,887**
			(5799,71,85,887)	*(35,39,40,09,258)*
7	Vehicles	10.700	**67,09,856**	**(3,86,98,593)**
			(3,86,98,593)	*(3,01,98,214)*
8	Furniture & Fixtures	10.800	**3,49,31,528**	**4,98,95,371**
			(4,98,95,371)	*(5,87,61,963)*
9	Office Equipment	10.900	**12,72,11,205**	**31,37,74,203**
			(31,37,74,203)	*(36,93,05,983)*
	Sub-Total		**26786,11,41,619**	**12663,20,44,168**
			(12663,20,44,168)	*(98,13,14,03,213)*
10	Capital Expenditure Resulting in an asset not belonging to the Board	11.100		
			0	**40,392**
			(40,392)	*(40,392)*
11	Spare units	11.200	**0**	**(1,08,947)**
			(1,08,947)	*(75,658)*
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		**26786,11,41,619**	**12663,19,75,613**
			(12663,19,75,613)	*(98,13,13,67,947)*

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 2015-16 Rs.	Previous year 2014-15 Rs.
1	Capital work in progress	14&18	5504,51,30,228	4274,60,83,699
2	Contract in progress	15.1		
	SUB-TOTAL		**5504,51,30,228**	**4274,60,83,699**
3	Revenue Expenses pending allocation over capital works	15.2	626,24,38,625	458,09,05,410
4	Provision for completed work	15.5	0	2,19,77,154
5	Construction facilities	15.6	0	9,76,608
	Assets at construction stage (1 to 5)		**6130,75,68,853**	**4734,99,42,871**
6	Advances for suppliers/Contractors (Capital)	25.100 to 25.900	69,52,53,317	149,84,25,504
	TOTAL		**6200,28,22,170**	**4884,83,68,375**

Note:

1. 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)
2. Contracts in progress represents the portion of interim payments made to contractors for Capital works executed. Capital works to the tune of Rs..... cr is in progress. The title of the assets is to pass on to the Board only upon completion of the contract.
3. 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 1.4.2015 Rs.	Additions during the year 2014-15 Rs.	Deductions during the year 2014-15 Rs.	Sl. No.	Asset Group	Account Code	Balance in the beginning of the year 1.4.2015 Rs.	Additions during 2015-16 Rs.	Deductions during the year 2015-16 Rs.	Balance at the end of the year 31.03.2016 Rs.
8,708	17,83,905	17,81,575	I.	Written down Value of obsolete scrapped Assets	16.100	11,038	2,15,95,667	2,15,79,546	27,159
8,708	17,83,905	17,81,575		**Total**		**11,038**	**2,15,95,667**	**2,15,79,546**	**27,159**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

TOTAL CURRENT ASSETS				SCHEDULE-26
Sl. No.	Particulars	Schedule No.	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Stocks	26(a)	2,12,70,18,981	4,30,60,88,887
2	Receivables against supply of power	26(b)	97,36,62,14,814	81,14,62,73,918
3	Cash and Bank Balances	26(c)	45,33,09,576	85,65,66,196
4	Loans and Advances	26(d)	31,62,72,558	13,99,65,781
5	Sundry Receivables	26(e)	1,78,86,68,38,859	1,30,02,42,29,824
	TOTAL		**2,79,12,96,54,788**	**2,16,47,31,24,606**
6	Inter Unit Balance		-3,01,89,40,722	-2,86,49,96,604
	TOTAL		**2,76,11,07,14,066**	**2,13,60,81,28,002**

STOCKS				SCHEDULE-26(A)
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Fuel Stocks - Coal	21.101		
	Fuel Stocks - Oil	21.105		
2	Coal in Transit	21.121		
3	Coal Shortages tobe written off	21.130		
4	Stock of materials at construction stores	22.60 & 22. 61	1,73,63,19,132	2,09,32,55,089
5	Stock of Materials at other stores	22.62 & 22. 63	28,67,616	-12,11,43,136
6	Materials at site	22.64 & 22.65		
7	Materials pending Inspection	22.66 & 22.67	38,69,90,911	25,55,85,832
8	Materials in Transit	22.68 & 22.69		
9	Other Materials accounts	22.7	8,41,322	2,07,83,91,102
10	Fuel Stock Excess/shortages pending Investigation	21.2		
11	Materials stock Excess/Shortages pending Invgn.	22.8	0	0
	TOTAL		**2,12,70,18,981**	**4,30,60,88,887**

RECEIVABLES AGAINST SUPPLY OF POWER				SCHEDULE-26(B)
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Sundry Debtors for Sale for Power	23.1	9734,64,95,704	8113,50,15,150
2	Sundry debtors for Inter state sale of power	23.6	1,05,54,147	1,05,54,147
3	Sundry debtors for Electricity Tax	23.2		
4	Provision for unbilled Revenue	23.4	91,64,963	7,04,621
5	Sundry Debtors for sale of power to traders	23.121 to 129		
6	Dues from permanently disc. consumers (net of SD forfeited)	23.5		
7	Sundry Debtors-Miscellaneous Receipts from consumers	23.7		
8	Other Receivables	23.8		
	SUB-TOTAL		**9736,62,14,814**	**8114,62,73,918**
9	Less: Provision for doubtful dues from consumers	23.9		
	TOTAL		**9736,62,14,814**	**8114,62,73,918**

CASH AND BANK BALANCES				SCHEDULE-26(C)
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Cash on hand	24.1	4,59,62,002	20,37,39,855
2	Cash Imprests with staff	24.2	47,46,975	89,08,123
3	**Balance with Banks:**			
	Collection Account	24.3	6,86,83,251	34,22,42,890
4	Drawing Account	24.4	17,31,03,476	20,87,22,328
5	Cash in Transit	24.5 & 24.6	16,08,13,872	9,29,53,000
	TOTAL		**45,33,09,576**	**85,65,66,196**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

LOANS AND ADVANCES				SCHEDULE-26(D)
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Advance for O&M Supplies/Works	26.1 to26.7	17,30,415	10,68,991
2	Advance for Fuel Supplies	26.8		
	Sub-Total (1 & 2)		**17,30,415**	**10,68,991**
3	Loans and Advances to Staff	27.1&27.2	31,39,70,641	13,70,90,471
4	Loans and Advances to Licensees	27.3		
5	Advance Income Tax/deduction at source	27.4	5,71,502	18,06,319
6	Central Payment Control Account	27.5		
7	Loans and Advances	27.8		
	Sub-Total (3 to 7)		**31,45,42,143**	**13,88,96,790**
8	Less Provision for doubtful Loans and Advances	27.9		
	TOTAL (1 to 7 (-) 8)		**31,62,72,558**	**13,99,65,781**

SUNDRY RECEIVABLES				SCHEDULE-26(E)
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Sundry Debtors/Trading account	28.100	94,96,050	-71,358,223
2	Income accrued and due on Investments	28.210 to 240		
3	Other income accrued and due	28.290		
4	Income accrued but not due	28.300		
5	Amount recoverable from Employees/ Ex-Employees	28.400	7,37,724	12,24,405
6	Fuel related receivable and claims. Grade difference of coal (Net provision for loss on grade difference)	28.511& 28.512		0
				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	1,77,75,01,86,942	1,30,07,58,61,493
		28.900	110,64,18,143	1,85,02,149
	TOTAL		**1,78,86,68,38,859**	**1,30,02,42,29,824**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

OTHER CURRENT LIABILITIES				SCHEDULE-28
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 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	8,32,51,95,485	5,39,71,29,279
4	Liability for O&M supplies/works	43.1,43.2 &300	2,01,81,947	1,95,14,910
5	Staff related liabilities and provisions	44.1 to 44.4	89,12,18,769	90,54,99,990
6	Deposits & Retention from Suppliers and Contractors	46.100& 200	5,30,90,81,833	5,35,19,20,855
	(net of Deposits recd.in the form of Investment etc.)	28.930		0
7	Electricity duty and other levies payable to Government	46.300	9,50,090	13,95,489
8	Liability for Expenses	46.400	1,79,13,55,195	62,48,77,736
9	Amount owing to Licensees	46.600	3,42,42,21,81,977	2,39,18,79,58,069
10	Accrued/unclaimed Amounts relating to Borrowing	46.700	1,12,85,62,239	-3,81,257
11	Provision for Income Tax	46.800		0
12	Other Liabilities and provisions	46.9&991	37,80,92,736	12,71,26,107
13	Tariff subsidy received in advance (relating to succeeding year)	46.990		0
14	Excess Tariff subsidy to be adjusted in future subsidy	46.992		0
	SUB-TOTAL		**3,60,26,68,20,271**	**2,51,61,50,41,178**
15	Deposits for Electrification/Service connection etc.	47.000	1,26,66,72,540	86,13,34,017
	TOTAL		**3,61,53,34,92,811**	**2,52,47,63,75,195**

BORROWING FOR WORKING CAPITAL				SCHEDULE-30
Sl. No.	Particulars	Account Code	This year 2015-16 Rs.	Previous year 2014-15 Rs.
1	Cash Credits/Bank Overdraft	50.100 & 50.200	0	1,02,96,39,402
2	Short Term Loan	50.300	0	5,24,45,80,246
	TOTAL		**0**	**627,42,19,648**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

PAYMENT DUE ON CAPITAL LIABILITIES								SCHEDULE-31
Due at the beginning of the previous year 1.4.2014 Rs.	Becoming due during the previous year 2014.15 Rs.	Payments made during previous year 2014-15 Rs.	Sl. No.	Particulars	Acc-ount code	Due at the beginning of the year 1.4.2015 Rs.	Becoming due during 2015-16 Rs.	Payments made during 2015-16 Rs.	Due at the end of the year 31.03.2016 Rs.
			I.	Principal accrued and due on Capital Liabilities.					
-	74,78,00,000	74,78,00,000	1	TNEB Bonds	51.150	-	240,24,00,000	240,24,00,000	-
16,66,66,000	46,89,98,662	46,89,98,662	2	LIC	51.101	16,66,66,000	71,05,00,000	71,05,00,000	16,66,66,000
-	241,86,24,048	241,86,24,048	3	REC	51.113	-	409,76,65,427	381,98,87,649	27,77,77,778
-	504,61,95,514	504,61,95,514	4	Power Finance Corpn.	51.116	-	537,11,84,429	29,25,92,245	507,85,92,184
-	380,99,39,449	380,99,39,449	5	Tamil Nadu POWERFIN	51.129	-	113,58,81,540	113,58,81,540	0
-			6	Nabard	51.114	-			-
20,11,01,117	60,74,40,411	80,85,41,528	7	Hudco	51.166	0	183,09,16,313	183,09,16,313	0
36,77,67,117	**1309,89,98,084**	**1330,00,99,201**	**Total repayment of Loan (A)**			**16,66,66,000**	**1554,85,47,709**	**1019,21,77,747**	**552,30,35,962**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

PAYMENT DUE ON CAPITAL LIABILITIES — **SCHEDULE-31**

Due at the beginning of the previous year 1.4.2014 Rs.	Becoming due during the previous year 2014-15 Rs.	Payments made during previous year 2014-15 Rs.	Sl. No.	Particulars	Acc-ount code	Due at the beginning of the year 1.4.2015 Rs.	Becoming due during 2015-16 Rs.	Payments made during 2015-16 Rs.	Due at the end of the year 31.03.2016 Rs.
			II.	Interest accrued and due on 51.201 to 51.299					
-	477,69,62,132	477,69,62,132	a)	REC	51.213	-	5,87,04,33,634	5,87,04,33,634	0
-	123,53,67,226	123,53,67,226	b)	TNEB Bonds	51.250	-	1,78,19,09,800	1,78,19,09,800	-
13,08,77,842	22,94,30,866	26,51,11,359	c)	LIC	51.201	9,51,97,349	57,51,38,745	58,48,69,424	8,54,66,670
-	123,94,04,512	123,94,04,512	d)	PFC	51.216	-	2,08,90,93,967	2,08,06,35,063	84,58,904
-	0		e)	Loan from GOTN (under JICA & KFW)	51.220	-	2,42,92,613		2,42,92,613
-	39,88,41,964	39,88,41,964	f)	TNPFC	51.229	-	13,58,43,710	13,58,43,710	0
-			g)	Nabard	51.214	-	0		-
-	98,12,67,619	98,12,67,619	h)	HUDCO	51.266	0	2,01,14,81,006	2,01,14,81,006	0
13,08,77,842	**886,12,74,319**	**889,69,54,812**	**Total payment of Interest (B)**			**9,51,97,349**	**12,48,81,93,475**	**12,46,51,72,637**	**11,82,18,187**
49,86,44,959	**2196,02,72,403**	**2219,70,54,013**	**Grand Total {A+B}**			**26,18,63,349**	**2803,67,41,184**	**2265,73,50,384**	**564,12,54,149**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

CAPITAL LIABILITIES **SCHEDULE 32**

Outstanding at the beginning of the previous year 1.4.2014 Rs.	Amount received during the previous year 2014-15 Rs.	Repayments due during the previous year 2014-15 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 previous year 31.03.2015 Rs.	Amount received during 2015-16 Rs.	Repayments due during the year 2015-16 Rs.	Outstanding at the end of the year 31.03.2016 Rs.
1353,90,82,742		74,78,00,000	1	Public Loan TNEB Bonds	8.60%	52.110	1279,12,82,742	1198,83,60,231	692,41,37,373	1785,55,05,600
289,20,20,213		46,89,98,662	2	Loan from Life Insurance Corpn.	11.15%	52.501	242,30,21,551	386,34,69,449	187,48,38,000	441,16,53,000
3098,86,82,461	1464,43,06,954	241,86,24,048	3	Loan from Rural Elecn.Corpn.	11.25%	53.310	4321,43,65,367	1051,07,17,360	409,78,75,734	4962,72,06,993
1549,25,52,041	1089,42,23,731	504,61,95,514	4	Power Finance Corporation	11.25%	53.710	2134,05,80,258	489,71,66,453	1038,60,21,312	1585,17,25,399
979,31,25,000		380,99,39,449	5	Loan Tamil Nadu POWERFIN	10.65%	53.729	598,31,85,551	320,78,62,369	845,44,75,037	73,65,72,883
			6	NABARD	10.75%	53.400		45,47,56,000		45,47,56,000
1760,43,14,979			7	Medium Term Loan		53.864	1760,43,14,979	(20121399425)	(2517084446)	0
	128,01,19,381		8	JICA		53.865	128,01,19,381	(1280119381)	0	0
307,15,61,993		60,74,40,411	9	HUDCO	12.17%	53.720	246,41,21,582	961,06,37,944	102,73,42,743	1104,74,16,783
9338,13,39,429	**2681,86,50,066**	**1309,89,98,084**		**TOTAL**			**10710,09,91,411**	**2313,14,51,000**	**3024,76,05,753**	**9998,48,36,658**

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 31.03.2014)	10710,09,91,411
3	Borrowings during this year 2015-16	2313,14,51,000
4	Total borrowings upto the end of 2015-16	13023,24,42,411
5	Less: Repayments made during 2015-16	3024,76,05,753
6	Total Borrowings (Net 4-5)	9998,48,36,658
	Balance of the borrowings limit to the end 2015-16 (1-6)	5001,51,63,342

FUNDS FROM STATE GOVERNMENT **SCHEDULE-33**

Outstanding at the beginning of the previous 1.4.2014	Amount received during the previous year 2014-15	Repay -ments made during previous year 2014-15	Sl. No.	Parti culars	Interest rate applicable at the end of the year	Acco -unt code	Outstanding at the end of the previous year 31.03.2015	Amount received during the year 2015-16	Repayments due during the year 2015-16	Outstanding at the end of the year 31.03.2016
Rs.	Rs.	Rs.					Rs.	Rs.	Rs.	Rs.
3009,89,04,000	871,10,28,000		1	Equity Share capital		54.500	3880,99,32,000	254,53,70,850		4135,53,02,850
			2	Loan from GoTN (JICA/KfW)		54.200		7825948181		782,59,48,181
			3	FERV on Loan from GoTN (JICA/KfW)				673056618	-	67,30,56,618
3009,89,04,000	871,10,28,000	-		**Total**			3880,99,32,000	1104,43,75,649	0	4985,43,07,649

TAMIL NADU TRANSMISSION CORPORATION LIMITED

CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS COST OF CAPITAL ASSETS							SCHEDULE-34
Balance at the beginning of the previous year 1.4.2014 Rs.	Received during previous year 2014-15 Rs.	Sl. No.	Particulars	Account Code	Balance at the end of the previous year 31.03.2015 Rs.	Additions during current year 2015-16 Rs.	Total at the end of the year 31.03.2016 Rs.
65,75,10,254	15,21,36,084	1	Consumer's Contribution	55.100	80,96,46,338	1072,55,94,421	1153,52,40,759
65,75,10,254	**15,21,36,084**		**Total Consumer's Contribution**		**80,96,46,338**	**1072,55,94,421**	**1153,52,40,759**
		2	Subsidies towards cost of capital Assets TEDA	55.200	0		0
		3	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 (Kuthirjyothi)	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	263,70,00,000	263,70,00,000
0	0		**Total**		**0**	**263,70,00,000**	**263,70,00,000**
65,75,10,254	**15,21,36,084**		**GRAND TOTAL**		**80,96,46,338**	**1336,25,94,421**	**1417,22,40,759**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

RESERVE AND RESERVE FUNDS — SCHEDULE-35

Balance at the beginning of the previous year 1.4.2014 Rs.	Additions 2014-15 Rs.	Deductions 2014-15 Rs.	Sl. No.	Particulars	Account Code	Balance at the end of previous year 31.03.2015 Rs.	Additions 2015-16 Rs.	Deductions 2015-16 Rs.	Balance at the end year 31.03.2016 Rs.
				RESERVES					
-			1	General Reserves	56.100	-			-
-			2	Capital Reserves	56.200	-			-
-			3	Other Reserves	56.600	-			-
85,70,37,634	9,82,55,128	8,02,49,928	4	Res. for Material Cost variance	56.610	87,50,42,834	51,11,21,051	6,07,02,778	132,54,61,107
309,22,68,932	126,63,19,754		5	1% Property Insurance Reserve	56.660	435,85,88,686	636,87,30,416	0	1072,73,19,102
0			6	Hydro Balancing Fund	56.750	0			0
394,93,06,566	**136,45,74,882**	**8,02,49,928**		***Total Reserves (A)***		**523,36,31,520**	**687,98,51,467**	**6,07,02,778**	**1205,27,80,209**
				RESERVE FUNDS					
251,78,84,779	134,93,76,704	106,03,62,732	1	TNEB GPF (incl. Int.)	57.120	280,68,98,751	63,48,10,113	99,62,29,070	244,54,79,794
19,90,05,340	16,21,05,191	16,21,05,191	2	Staff Pension Fund	57.140	19,90,05,340	16,55,55,596	16,60,09,655	19,85,51,281
10,88,66,578			3	Special TNEB PF cum Gratuity	57.135	10,88,66,578	(60578475)	88,30,700	3,94,57,404
12,29,01,615	1,28,83,429	46,92,259	4	Family Benefit Fund	57.155	13,10,92,785	(71670261)	88,70,394	5,05,52,130
1,03,25,656	13,65,214	16,28,665	5	HBA Spl. Family Benefit Fund	57.160	1,00,62,205	(5262258)	37,956	47,61,991
78,52,313	1,42,834	1,42,834	6	Medical Health Fund	57.165	78,52,313	(4785236)	88,815	29,78,262
-			7	Anti theft award	57.166	0	5,400	5,400	0
38,63,090			8	Pensioner's health fund	57.167	38,63,090	(3862490)	600	0
1,63,64,452			9	TNEB Pen.FBF	57.168	1,63,64,452	(16364276)	320	-144
0	0	0	10	Special Reward Vigiliance	57.169	0			0
62,45,73,076	29,75,90,845	8,12,54,265	11	Contributory Pension Scheme	57.170	84,09,09,656	33,39,94,581	6,63,55,268	110,85,48,969
361,16,36,899	**182,34,64,217**	**131,01,85,946**		***Total Reserve Fund (B)***		**412,49,15,170**	**97,18,42,695**	**124,64,28,178**	**385,03,29,686**
756,09,43,465	**318,80,39,099**	**139,04,35,874**		**GRAND TOTAL (A+B)**		**935,85,46,690**	**785,16,94,162**	**130,71,30,956**	**1590,31,09,895**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

REVALUATION RESERVE			SCHEDULE - 36
Sl. No.	Particulars	This year 2015-16	Previous year 2014-15
		(in Rupees)	
1	Opening Balance as per Final Transfer Scheme notified vide G.O. Ms.49/13.08.2015 Surplus from Revenue Account	71,63,57,99,323	
2	Less: Amortisation of Depreciation towards Revaluation Reserve	24,73,03,38,730	
3	Add: Adjustment towards opening Balance	29,89,18,558	
	Balance Reserve carried forward to Net Revenue Appropriation Account	47,20,43,79,151	

NET REVENUE APPROPRIATION ACCOUNT				SCHEDULE - 37
Sl. No.	Particulars	Account Code	This year 2015-16	Previous year 2014-15
			Rs.	Rs.
1	Opening Balance	58.210	-26,00,30,91,616	-24,87,37,80,075
2	Profit/Loss of Current Year		-2,63,39,88,975	-1,12,93,11,541
3	Less: Reversal of Opening loss as per provisional transfer scheme		40,31,81,64,513	
4	Appropriations			
	(i) Contribution to Reserve & Reserve Funds (ii) Contribution to Development Funds			
5	Balance Carried forward		**11,68,10,83,922**	**-26,00,30,91,616**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

CORPORATE INFORMATION:

Tamil Nadu Transmission Corporation Limited is a State Government 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 emerged out of the scheme known as Tamil Nadu Electricity (Reorganisation and Reforms) Transfer Scheme notified by the Government of Tamil Nadu, and is dealing in transmission of power over the State of Tamil Nadu.

I. SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of preparation (AS -1)

Financial statements have been prepared under historical cost convention on a going concern and accrual basis. The financial statements have been prepared in compliance with Provisions of Electricity Act 2003, Electricity (Supply Annual Accounts Rules 1985). The accounting policies 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.

Use of Estimates

The preparation of financial statement in conformity with the provisions of Electricity Act 2003, Electricity (Supply Annual Accounts Rules 1985) requires management to make 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.

(2) INVENTORIES (AS – 2)

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 is not 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 not treated as materials cost and are recorded in separate accounts provided for this purpose.

Return 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 basis 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 is 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 Company 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" at 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.

(3) Cash Flow:- (AS 3)

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past and future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

(4) Contingencies and Events Occurring after the Balance sheet:- (AS 4)-

The events that provide additional evidence with respect to the conditions that existed at the date of the balance sheet and affect the estimates etc. in the process of preparing annual accounts have been considered, and annual accounts are adjusted for any changes in estimates resulting from the use of such evidence.

The events that provide evidence with respect to conditions that did not exist at the balance sheet date but arose subsequent to that date, have not been considered for adjustment in annual accounts.

(5) Prior Period Items:- (AS–5)

The Prior Period items are defined as those items which arise from retrospective change in the basis of accounting, on correction of fundamental error in accounts of the prior period and on account of short or excess provision made in the previous years.

(6) Depreciation (AS – 6)

Depreciation on assets described below is provided on the straight line method at the rates and in the manner prescribed under Regulation 24 of Tamil Nadu Electricity Regulatory Commission's (Terms and Conditions of Determination of Tariff) Tariff Regulations 2005 and as amended vide TNERC Notification no. TNERC/TR/5/2-11, dt. 13.3.2014.

Assets are depreciated upto 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 into use.

Individual assets costing up to Rs.500/- are fully depreciated in the year in which they are put into 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	3.34
	Office Buildings	3.34
	Residential Colony for Staff	3.34
	Other Buildings	3.34
3	**Hydraulic Works**	
	Plant & Pipe lines for water supply in residential colony	5.28
	Drainage and sewage in residential colony	5.28
4	**Other Civil Works**	
	Pucca Roads	3.34
	Kutcha Roads	3.34
5	**Plant and Machinery**	
	Transformers of 100KVA & above	5.28
	Other Transformers	5.28
	Other Fixed Apparatus	5.28
	Switch Gear including cable connection	5.28
	Batteries including charging equipments	5.28
	Batteries	5.28
	Lightning Arrestors Pole Type	5.28
	Lightning Arrestors Station Type	5.28
	Communication Equipment Radio & HF Carrier System	6.33
	Static machine tools and equipment	5.28
	Meter Testing Tools	5.28
	Tools and Tackles	5.28
	Other Miscellaneous	5.28
6	**Line, Cables Net Works etc.**	
	O.H. Lines, Towers, Poles, etc Higher than 66 KVA	5.28
	O.H. Lines, Towers, Poles, etc 13.2 below 66 KVA	5.28
	O. H. lines Towers Poles conductors etc	5.28
	O. H. lines Towers Poles etc on treated wood	5.28
	Underground cables incl. Joint Boxes &Discon. Box	5.28
	Service Connections	5.28
	Temporary Connection for supply of power	5.28

Sl. No.	Type of Asset	% of Depreciation
	Metering Equipments	5.28
	Street lighting & Signal System	5.28
	Miscellaneous Equipments	5.28
7	**Vehicles**	
	Trucks, Tempos, Trekkers	9.50
	Jeeps and Motor Cars	9.50
	Other Vehicles	9.50
8	**Furniture & Fixtures**	6.33
9	**Office Equipments**	6.33
	Calculators	6.33
	Typewriters	6.33
	Cash Registers in Cash Office	6.33
	Other Office Equipments	6.33
	Computers & Peripherals	15.00

(7) 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. Unbilled revenue relating to the Financial year ended 31st March 2016 and recognised in the accounts 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 the works 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.

(8) Fixed Assets (AS -10)

The fixed assets have been taken at the transfer price in respect of the assets transferred by the State Government Vide G.O. Notification No. 49 w.e.f 13.08.2015.

Assets acquired/created subsequently by the company have been taken at cost including capitalisation of appropriate expenses.

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 is 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.

Regarding capitalisation under General Construction Circles, the company is allocating the entire revenue expenses incurred during the year to the ongoing capital projects.

To adopt a uniform the method of capitalization/ apportionment of revenue expenditure at Operation circle level and head office, the company is capitalising its employees cost at 23.5%, administration & general expenses at 1%, Depreciation at 0.5% on yearly basis on work in progress.

An additional 1% of capital work in progress is capitalised towards common expenses incurred at Head Office for the capital projects.

Assets constructed with the deposits contributed by the customer are shown in the fixed assets and the corresponding consumer's contribution towards cost of fixed assets in reserves/liabilities. Depreciation is also charged in the normal course on "full cost" of the asset.

(9) The effects of changes in Foreign Exchange Rates:- (AS-11)

Initial recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date: Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates.

Settlement: Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Revenue Account.

(10) Accounting for Government Grants (AS -12)

The Grants received from the Government of India for execution of new Transmission projects are being kept separately under the head "Grants received from Government".

(11) Accounting for Retirement Benefits of Employees (AS-15)

The Terminal benefits such as Gratuity, Encashment of Earned Leave and Contribution of Pension etc are being accounted on cash basis. A fixed 3.742% of salary has been provided for pension payments.

(12) 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.

(13) 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.

(14) Related Party Disclosures :- (AS 18)

TNEB Limited is a Holding Company, Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) and Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO) are its two subsidiary Companies.

(15) Taxation (AS -22)

Tax expense comprises current tax and 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, 2016.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

The deferred tax for timing difference between the book and tax profit for the year is accounted for using the future tax rates and laws 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.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one and period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

(16) Impairment of Assets:- (AS 28)

The carrying value of assets/cash generating units are 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 valuing the goods. 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).

(17) 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 excluding retirement benefits are not discounted to its present value and are determined based on best 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.

II. NOTES TO ACCOUNT

SHARE CAPITAL

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

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).

In the 6th AGM of the company held on 29.12.2015, the authorized share capital of the Company was increased to Rs. 10000 Crores (1000 Crores Equity shares of Rs.10 each).

During the year the company received a share capital of Rs. 675.88 crores, share value of Rs.10/- per share by way of various Government Orders for consideration by way of cash and otherwise. Out of the said amount, allotment of shares for the value of Rs 675.88 crores for 675880000 shares @ 10/- per share has been made during the FY 2015-16.

The GOTN has earmarked Rs. 19274977930 vide G.O.No.2, dt.02.01.2012 as Equity Share Capital and the same has been filed with Registrar of Companies. In the final G.O. on Trifurcation notified vide G.O. Ms. 49 dated 13.08.2015 an amount of Rs.1506,15,48,780/- has been allotted to TANTRANSCO. Thus there is a difference of Rs.421,34,29,150/-. As per the G.O. direction the later figure has been recognised in the books. The above difference of Rs. 421,34,29,150/- is deferred and as and when Capital is raised the amount will be recognised in the books and no further allotment to this extent will be made with ROC at that point of time.

The Paid up Share Capital as per Accunts as on 31.03.2016 after incorporating the Equity as per Final Transfer Scheme is Rs.41355302850/- whereas the Paid up Share Capital as per RoC record is Rs.45568715670/-.

Further, the allocation of Equity Share Capital infused by TNEB Ltd. to the two subsidiary companies namely TANGEDCO and TANTRANSCO, subsequent to restructuring has been made in the proportion of Equity Share Capital of the two companies as per first provisional transfer scheme notified vide GO. Ms. No. 100 dated 19.10.2010. The decision on revising the subsequent allotment of shares on the ratio of Equity Share Capital of the two companies as per final transfer scheme is yet to be taken.

The adjustment for the above will be made in subsequent allotment of shares on future infusion of Equity Share Capital by TNEB Ltd.

2. The company has commenced operation from 01st November 2010, since the provisional transfer scheme transferring the assets, liabilities and employees of erstwhile TNEB are transferred with effect from 1st November 2010 vide Government of Tamil Nadu's Order

No. 100 dated 19.10.2010 and subsequent amendment to the said GO vide G.O.(Ms).No. 2 dated 2.1.2012.

The Government of Tamil Nadu has issued the G.O. for the Final Transfer Scheme with certain amendments vide G.O.(Ms.) No. 49, dated 13.8.2015. Since statutory audit of 2014-15 of all the TANTRANSCO circles were completed by that time, TANTRANSCO finalised the Accounts upto the FY 2014-15 based on the provisional opening balances. The Annual accounts for the FY 2015-16 and Balance sheet as on 31.3.2016 of TANTRANSCO has been prepared duly incorporating the opening Balance as per the Final Transfer Scheme.

3. Revaluation of Assets:

The erstwhile TNEB fixed assets have been allocated inter-alia to TANTRANSCO as notified vide GO No. 100 dated 19.10.2010 and subsequent amendment to the said GO vide G.O.(Ms).No. 2 dated 2.1.2012. As per the final transfer scheme notified vide GO 49 dated 2015, the fixed assets of the erstwhile TNEB have been taken over by Government of Tamil Nadu and re-vested with TANTRANSCO. Out of the group of Fixed Assets, the groups namely Land and Land Rights, Buildings, Plant and Machinery and Lines and Cable Network have been revalued and revised as per the Consultant's report. The difference between the Book value the revalued amount as approved by the GoTN is treated as Revaluation Reserve by the Government and the same is incorporated in the books of TANTRANSCO as details under:

(Rs. In Crores)

Sl. No.	Name of the Asset	Revalued Value	Book value	Surplus
1	Land & Land Rights	20320	349	19971
2	Buildings	1611	848	763
3	Plant & Machinery	19822	9542	10280
4.	Lines, Cables & Network	27380	6953	20427
	TOTAL	**69133**	**17692**	**51441**

The above Revaluation Reserve of Rs. 51,441 Crores has been adjusted against accumulated losses of the erstwhile TNEB as on 31.10.2010 as under.

Sl. No.	Particulars	Amount (Rs. In Crs.)
1	Revaluation Reserve	51441
2	Less : Accumulated Losses of the erstwhile TNEB after adjusting non operative accounts.	31524
3	Balance Reserve carried forward to successor companies	19917

The surplus of Rs. 7163,57,99,323/- is carried forward.

4. Depreciation:

The Depreciation on the Revalued portion of asset is adjusted against the Revaluation Reserve for the years 2010-11 to 2015-16.

5. Capital Liabilities:

With regard to bifurcation of loans between TANGEDCO and TANTRANSCO, the basis of bifurcation has undergone revision in the final transfer scheme due to implementation of FRP by TANGEDCO, a Financial Restructuring Scheme introduced by GoI, during 2013-14. The cut off date reckoned for implementation of FRP is 30.09.2012.

Consequent to the revision mentioned above, repayment of certain loans and interest on said loans made by TANGEDCO on behalf of TANTRANSCO have been recognised as "Amount payable to TANGEDCO". Such interest commitments relating to earlier years have been accounted as "Prior Period interest expenses".

JICA Loan:

Certain Transmission Scheme of TANTRANSCO have been tied up with financial assistance from Japan International Co-operation Agency (JICA) through the Govt. of India for Rs. 3572.93Crs. (60740 million), excluding taxes and duties.

The Govt. of Tamil Nadu has accorded administrative sanction for the total project cost of Rs. 5014.32 crore (including taxes and duties) vide G.O. (Ms) No. 32 Energy (A1) Department dated 29.4.2015. Since the loan arrangement is through the books of Government of Tamil Nadu, the loan availed for JICA funded schemes as on 31.03.2016 has been exhibited under "Schedule 33-Funds from State Government".

As per the terms and condition of the loan, TANTRANSCO has to pay commitment charges at 0.1% p.a on the undrawn loan portion and interest @ 0.55% p.a on the loan amount drawn which is payable half yearly. The said commitment and interest charges have been paid by the Controller of Aids, Accounts and Audit, Ministry of Finance, Department of Economic Affair, GoI and being adjusted in the budgetary provisions to the State of Tamil Nadu which in turn to be paid by TANTRANSCO to the Government of Tamil Nadu for which necessary liability has been provided in the books of accounts.

KfW Loan:

Certain transmission schemes under the Green Energy Corridor project have been taken up with loan assistance from KfW, Germany.

The financial assistance for the projects at an estimated value of Rs.1593.00 Crores comprising of 40% Grant by MNRE, GoI (Rs. 637.20 crores) & 40% loan from KfW, Germany (Rs. 637.20 crores, in Euro 76 Million)

The Government of Tamil Nadu has accorded sanction for Rs.1593 Crores for implementation of Green Energy Corridor Project (GEC) vide GO (MS) No.34 (Energy (E1) Dept. Dt.07.05.2015. Since the loan arrangement is through the books of Government of Tamil Nadu, the loan availed for KfW as on 31.03.2016 has been exhibited under "Schedule 33-Funds from State Government".

As per the terms and condition of the loan, TANTRANSCO has to pay commitment charges at 0.25% p.a on the undrawn loan portion and interest @ 1.63% p.a on the loan amount drawn which is payable half yearly. The said commitment and interest charges have been paid by the Comptroller of Aids, Accounts and Audit, Ministry of Finance, Department of Economic Affair, GoI and being adjusted in the budgetary provisions to the State of Tamil Nadu which in turn to be paid by TANTRANSCO to the Government of Tamil Nadu for which necessary liability has been provided in the books of accounts.

Accounting of JICA and KfW loans as on the Balance Sheet date

As per the provisions of Electricity (Supply) Annual Accounts Rules, 1985, the loan liability in foreign currency outstanding at the Balance Sheet date has been translated at the exchange rate i.e RBI selling rate applicable for Government transactions published by Controller of Aid, Accounts and Audit, Government of India. The difference due to such translation of loan has been charged to Revenue Account to the extent of Rs. 67,30,56,618/-.

The company has taken loans from various Financial Institutions and the outstanding as on 31.03.2016 is Rs. 9998.48 crores (Rs. 10,710.10 Crores). Some of the loans are secured against the fixed assets of the company. Some loans viz. LIC and Open Market Bonds transferred to the company through Final Transfer Scheme are guaranteed by Government of Tamil Nadu. Further, the Government of Tamil Nadu has guaranteed the loan availed by TANTRANSCO from M/s. NABARD during the year. The total guaranteed amount of such borrowings as on 31.3.2016 is Rs. 2288.81 Crs.

6. The updating of the fixed assets/loan/stock registers is under process as per the Final Transfer Scheme.

7. The balance as on 31.3.2016 in term loans, sundry creditors, Sundry debtors, and Loans & Advances are subject to confirmation.

8. In respect of income from services the company has accounted and paid its service tax wherever applicable.

9. Inter unit account for value of Rs. -301.89 Crores (Rs.(- 286.50 Crores)) is not reconciled.

10. The portion of interest payable on borrowing for the financing of capital asset at construction stage has been capitalised for the year is Rs. 312.63 Crores (Rs.287.20 Crores). A portion of the interest on capital liabilities relating to prior years due to

incorporation of loan liabilities as per Final Transfer Scheme has also been capitalised for an extent of Rs. 154.60 crores

11. CIF Value of Imports - NIL

12. Expenditure in Foreign currency --Nil

13. ACCOUNTING OF LUMPSUM AMOUNT PAID BY WIND ENERGY PROMOTERS TOWARDS OPERATION AND MAINTENANCE CHARGES: Accounting/Adjustment of entries in respect of lumpsum amount paid by WIND ENERGY promoters towards Operation and Maintenance Charges are received by TANGEDCO and subsequently transferred to TANTRANSCO.

14. M/s.Life Insurance Corporation of India had raised excess demand to the tune of Rs.129,29,273/- during October 2015 for the amount due in July 2015 in respect of penal interest on belated payment of principal repayment/interest payment to them. TANTRANSCO paid the demand raised by M/s. LIC to avoid default of dues. Consequently TANTRANSCO adjusted the same against the dues on January 2016 paid in April 2016.

15. TANTRANSCO has collected the revenue towards transmission and other charges at the rate determined by the State Commission vide its Suo-motu Transmission Tariff Order no. 8 dated 11.12.2014 effective from 12.12.2014.

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

FY 2014-15	----	Rs. 6,00,000/-(including Out of pocket expenses of Rs. 1,50,000/- and excluding service tax)
FY 2015-16	----	Rs. 6,00,000/-(including Out of pocket expenses of Rs. 1,50,000/- and excluding service tax)

17. The pension payments of existing pensioners of erstwhile TNEB are being paid by TANGEDCO since no segregation of pensioners' liability has been finalised in the provisional transfer scheme. The payments of pension to those who have retired from 1.4.2015 to 31.03.2016 are made by TANGEDCO and provision of one seventh of the total liability towards TANTRANSCO's share for the FY 2015-16 to the tune of Rs. 283.68 Crs. has been made in the accounts.

18. The Capital work in Progress as on 31.03.2016 includes work in progress under taken on behalf of TANGEDCO.

19. TANTRANSCO provided 1% Insurance Reserve on Net Fixed Asset excluding land as on 31.3.2016 at Transmission circles for the FY 2015-16. The difference in 1% Insurance Reserve on net Fixed Assets due to incorporation of Asset value as Final Transfer Scheme from FY 2010-11(5 months) to FY 2014-15 has been accounted under "Prior Period Expenses"

20. Since the company has unabsorbed depreciation and carried forward losses under tax laws deferred tax is not recognised on the basis of prudence.

21. Value of Indigenous and imported stores spares and components consumed.

Sl. No.	Particulars	Amount (Rs. In Crs.)
1	Indigeneous Materials	1558.17
2	Imported Materials	NIL

22. Quantitative details of Transmission and Loss of Energy

Sl. No.	Particulars	2015-16	2014-15
1	Energy injected from Generator/ Inter-State (in MU)	92526.00	89609.05
2	Energy fed to EHT/HT consumers and total consumption at SS end of 11/ 22 KV	88726.93	85942.31
3	**Total Transmission Loss**	**3799.07**	**3666.74**
4	**% of Loss**	**4.11**	**4.09**

23. 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.

24. 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.

25. The provisions of section 164 (2)of the Companies Act,2013, on the disqualification of the directors are not applicable to the company as per paragraph serial no 19 chapter 11 notification dated 5th June of the Department of Company Affairs, Government of India.

26. 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.	Dr. Sai Kumar Chairman/TANTRANSCO	Chairman cum Managing Director in TANGEDCO and TNEB Limited
2.	Thiru.S.Shanmugam 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)		4135,53,02,850 (3880,99,32,000)
2	Revenue From Transmission of Power & Sundry Debtors for Transmission of Power		1621,14,80,554 (1373,70,45,872)	
3	Director's Remuneration & Amount Payable to TANGEDCO		101,09,678 (84,58,885)	
4	Funds received (in the forms of cash, materials etc.) & Amount payable to TANGEDCO		10323,42,23,908 (6506,79,88,471)	
5	Income Accrued & Amount Receivable from TANGEDCO & TNEB Limited		4767,43,25,449 (4699,09,70,056)	.....

27. <u>Claims made by SR constituents on erstwhile TNEB</u>

(i) <u>Transmission and wheeling Charges:</u>

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.

Dues Payable to Karnataka

The reconciliation of the accounts has been completed and the finalization is under process.

Dues Payable to Andhra Pradesh

The amount payable towards transmission and wheeling charges is being adjusted towards the energy charges payable by TNEB.

Interest Payable

After settling down the payments/receivable of principal amount, the interest payable will be discussed.

Frequency Linked Penalty/Incentive Scheme between SR constituents:

This issue is being raised in various SRPC meetings and under discussion.

Energy charges payable by MPSEB to erstwhile TNEB for the period Meetings and under discussion.from 10/2001 to 12/2002

The matter is being continuously pursued with Western Regional Power Committee (WRPC), Madhya Pradesh Power Management Company Ltd. (MPPMCL) and Southern Regional Power Committee (SRPC) for early payment. SRPC & WR forums are following the issue to resolve it soon.

An amount Rs.98,64,551/- has been received and settled from MSEDCL towards the net amount receivable by TANGEDCO from MSEDCL towards the energy transaction for the period from August 1999 to December 2002.

28. The commitment on capital expenditure on contract pending execution as on 31.3.2016 is Rs. 5137.52 Crs. (Rs. 2636.23 Crs.)

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

Dr.K. MUTHUPANDIAN
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

COMPANY SECRETARY
TANTRANSCO

M. MAHESWARI BAI
DIRECTOR/FINANCE
TANTRANSCO

S. SHANMUGAM
MANAGING DIRECTOR
TANTRANSCO

As per our report of even date
FOR PADMANABHAN PRAKASH & CO.
CHARTERED ACCOUNTANTS
FR No. : 002509S

S. RADHAKRISHNAN
Partner
M.No. 018815

Place: Chennai
Date : 29th Sep. 2016

TAMILNADU TRANSMISSION CORPORATION LTD

CASH FLOW STATEMENT

Particulars	(Rupees in lakhs)	
	Period Ended **31.03.2016**	Period Ended **31.03.2015**
I. Cash Flows From Operating Activities		
Net Profit/Loss before tax and Extraordinary items	(26339.89)	(11293.12)
Adjustments For:		
Depreciation	37171.08	56802.37
Interest Income	0.00	
(Profit) / Loss on Sale of Asset		
Interest Paid	137934.19	92734.86
Extraordinary items:-		
Loss on account of flood, fire cyclone etc.,	0	
Operating Profit Before Working Capital changes	**148765.38**	**138244.11**
Change in Trade and Other receivables	(650849.13)	(603817.55)
Change in Inventories	21790.70	1115.44
Change in other Current Liabilities	1090571.18	638524.85
Income Taxes Paid		
Net Cash Flow From Operating Activities (A)	**610278.13**	**174066.85**
II. Cash Flow from Investing Activities		
Purchase/sale of Fixed Assets	(1421837.75)	(317483.07)
Deferred Revenue Expenditure	0	
Investment in Shares	0	
Interest Income	0	
Sale of Fixed Assets	(159169.68)	62.30
Net Cash flow used in Investing Activities (B)	**(1581007.44)**	**(317420.77)**
III. Cash Flow from Financing Activities		
Changes in Borrowings	(80109.84)	134828.70
Share Capital raised	110443.76	87110.28
Reserve Fund	1074297.01	19497.40
Interest Paid	(137934.19)	(92734.86)
Net Cash Flow From Financing Activities (C)	**966696.75**	**148701.52**
Net Increase/(Decrease) in Cash and Cash Equivalents [D = (A+B+C)]	(4032.57)	5347.60
Opening Balance of Cash & Cash Equivalents (E)	8565.67	3218.05
Closing Balance of Cash & Cash Equivalents [F = (D+E)]	**4533.10**	**8565.67**
# the cashflow has been prepared with the during the year transactions from 1st April 2015 to 31st MARCH 2016		

Dr.K. MUTHUPANDIAN
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

M. MAHESWARI BAI
DIRECTOR/FINANCE
TANTRANSCO

S. SHANMUGAM
MANAGING DIRECTOR
TANTRANSCO

FOR PADMANABHAN PRAKASH & CO.
CHARTERED ACCOUNTANTS
FR No. : 002509S

COMPANY SECRETARY
TANTRANSCO

S. RADHAKRISHNAN
Partner
M.No. 018815

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No :	U40109TN2009SGC071948	State Code	18
Balance Sheet Date	31	03	2016
	Date	Month	Year

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

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

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

Total Liabilities	**Total Assets**
244441212	**244441212**

Sources of Funds

Paid-up Capital	Reserves & Surplus
41355303	74788573
Secured Loans	Unsecured Loans
114125096	--------
Other Funds	
14172241	

Application of Funds

Net Fixed Assets	Investments
267861142	-------
Net Current Assets	Misc. Expenditure
(23419929)	------

Performance of Company (Amount Rs. in Thousands)

Turnover	25070796	Total Expenditure	27704785
Profit/Loss before tax	**(2633989)**	Profit/Loss after tax	**(2633989)**
Earnings per Share in Rs.	---	Dividend rate %	-----

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

Product Description	Transmission of Power

Dr.K. MUTHUPANDIAN
CHIEF FINANCIAL CONTROLLER
TANTRANSCO

M. MAHESWARI BAI
DIRECTOR/FINANCE
TANTRANSCO

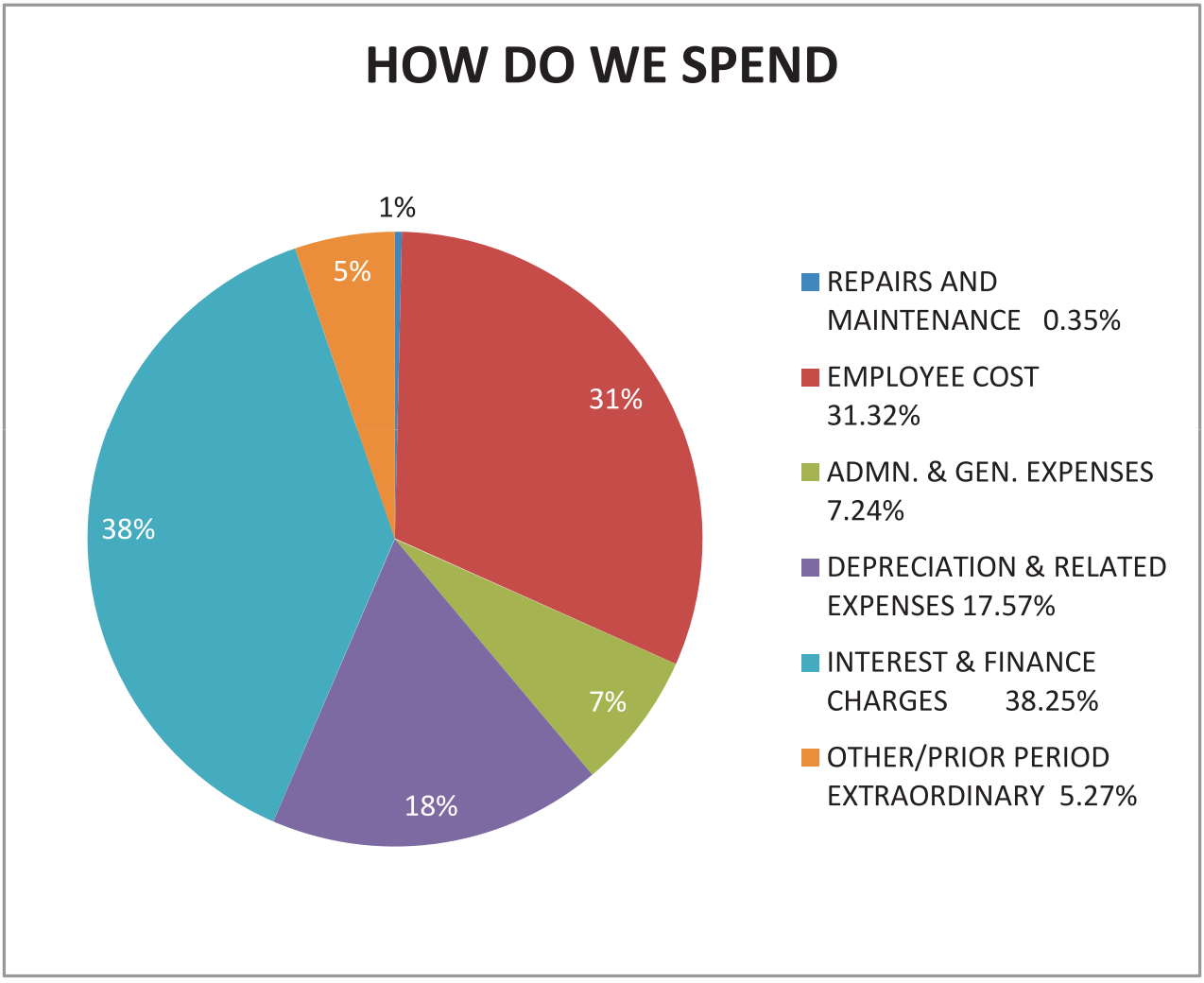
S. SHANMUGAM
MANAGING DIRECTOR
TANTRANSCO

COMPANY SECRETARY
TANTRANSCO

As per our report of even date
FOR PADMANABHAN PRAKASH & CO.
CHARTERED ACCOUNTANTS

Partner : **S. RADHAKRISHNAN**
Membership No. 018815

Place: Chennai
Date : 29th Sep. 2016


HOW DO WE SPEND
1%
5%
31%
38%
7%
18%
REPAIRS AND MAINTENANCE 0.35%
EMPLOYEE COST 31.32%
ADMN. & GEN. EXPENSES 7.24%
DEPRECIATION & RELATED EXPENSES 17.57%
INTEREST & FINANCE CHARGES 38.25%
OTHER/PRIOR PERIOD EXTRAORDINARY 5.27%