TAMIL NADU TRANSMISSION CORPORATION LIMITED

8th ANNUAL REPORT
2016-17

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 Eighth Annual General Meeting of the Tamil Nadu Transmission Corporation Ltd. will be held at the Registered office of the Company at NPKRR Maligai, 144, Anna Salai, Chennai – 600 002 on Tuesday, the 30th of January, 2018 at 6.00 p.m. to transact the following business:

ORDINARY BUSINESS:

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

"**RESOLVED THAT** the audited Balance Sheet as at 31st March 2017 and the Revenue Account of the Company for the period from 1st April 2016 to 31st March 2017 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 2017-18 as approved by the Board of TANTRANSCO through circulation Board Note dated 7.9.2017 is hereby approved and ratified."

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 : 27.01.2018

(D. Sureshkumar)
COMPANY SECRETARY

DIRECTORS' REPORT

Dear Members,

The Board of Directors of Tamil Nadu Transmission Corporation Limited (TANTRANSCO) have immense pleasure in presenting its 8th Annual Report for the Year 2016-17.

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 already 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 basis is.

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 2017	Year ended 31st March 2016
	INCOME		
1	Revenue from Transmission of Power	228835	230524
2	Other income	28973	20184
		257808	**250708**
	EXPENDITURE		
1	Repairs & Maintenance	1505	1353
2	Employee Cost	108381	96499
3	Administrative and General Expenses	24970	25123
4	Other Expenses	0	0
	Less: Expenses Capitalized	(13262)	(15302)
		121594	**107673**
	Profit/(Loss) Before Depreciation and Interest	136214	143035
	Less: Depreciation	(59079)	(48761)
	Profit/(Loss) Before Interest and Tax	77135	94274
	Less: Interest and other Bank charges	(131042)	(137934)
	Add : Interest charges capitalized	28020	31953
	Less: Extra ordinary expenses	195	49
	Less: Prior Period Charges	1412	14583
	Profit/(Loss) Before Tax	27493	26340
	Less : Provision for Taxation	-	-
	Profit/(Loss) after Tax	**(27493)**	**(26340)**

6.0 DETAILS OF OPERATIONAL PERFORMANCE DURING 2016-17

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	4	4290	--		4	4290
2.	230 KV	7	1180	--		7	1180
3.	110 KV	36	609	--		36	609
4.	33 KV	4	32	5	80	9	112
	Total	**51**	**6111**			**56**	**6191**

6.2 Lines Energized:

Sl. No.	Description	Distance (in Circuit KM)
1.	400 KV OH Line	362.036
2.	230 KV OH Line	318.457
3.	230 KV UG Cable	---
4.	110 KV OH Line	801.144
5.	110 KV Cable	5.800
	Total	**1487.437**

6.3 Additional / Enlargement of Power Transformers :

Sl. No.	No. of Transformers	Capacity in MVA
1.	120	2074

i. The 'All time high' demand for the financial year 2016-17 of 15,343 MW was reached on 29.4.2016.

ii. The 'All time high' consumption for the financial year 2016-17 of 345.617 MU was recorded on 29.4.2016.

iii. The minimum demand of 6409 MW and the minimum consumption of 200.63 MU were recorded on 13.12.2016.

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 2016-17, there were 50 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 intra-state Short Term open access transactions.

- **Third Party:**

  During the Financial Year 2016-17, a maximum of 14 Nos of HT consumers purchased power to the quantum of 65 MU.

- **Captive Wheeling:**

  During the financial year 2016-17, a total number of 883 HT consumers have been permitted for captive wheeling for the quantum of 6514 MU under Intra-state short term open access transactions.

- **Interstate Open Access**

  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 2016-17, there was one HT consumer who purchased power for the quantum of 113 MU through inter-state short-term open access bilateral transactions and 39 nos. of HT consumers who purchased power for a quantum of 146 MU from power exchanges under inter-state short term open access collective transactions.

Renewable Energy Certificate Mechanism:

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.

311 numbers of Renewable Energy Generators (Wind, Solar PV and Biomass) for a capacity of 1280 MW were accreditated under REC Mechanism upto the financial year 2016-17 after observing all the formalities. Out of which, the accreditation of 35 RE generators with a capacity of 65 MW has been revoked. The Revalidation of accreditation process, issuance of SLDC Energy Injection Reports, self retention of RECs and revocation of accreditation are being carried out to the Renewable Energy Generators under REC mechanism.

Renewable Energy Management Centre (REMC)

Ministry of Power, GoI (PGCIL) has evolved a proposal for establishment of Renewable Energy Management Centre (REMC) at SLDC/RLDC/NLDC level towards facilitating integration of envisaged Renewable Generation capacity. The REMC aims to address large scale penetration of RE, variability & ramping aspect of the renewable integration into the electricity Grid, through deployment of State-of-the-art monitoring, forecasting and scheduling system.

Power Grid Corporation of India Limited (PGCIL) is processing the tender for establishment of Renewable Energy Management Centre (REMC) in SLDC, Tamil Nadu/Southern Region. The financial bid evaluation is under finalization and work is to be awarded shortly.

REMC project shall be implemented by PGCIL and handed over to SLDC upon completion. The scheme includes REMC Annual maintenance and forecasting & whether services for 3 years.

The entire funds for implementation of REMC project in Tamil Nadu is provided by Ministry of Power, Government of India.

7.0 STATUTORY AUDITORS:

The C & AG of India have appointed M/s. B.Thiagarajan & Co., Chartered Accountants, Chennai as Statutory Auditors for auditing the Accounts of TANTRANSCO for the Financial Year 2016-17.

7.1 COST AUDITOR:

The Gov. 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 2016-17 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 2016-17 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 2016-17 is Nil.

9.0 Directorate (Financial Year ending 31.03.2017) :

Sl No.	NAME	DESIGNATION
1	Dr. M. SAI KUMAR, I.A.S., From 2.12.2014 to till date	Chairman, TANTRANSCO.
2	Thiru S. Shanmugam, B.E. From 1.3.2016 to till date	Managing Director, TANTRANSCO
3	Thiru T. Senthilvelan, B.E. From 11.12.2015 to till date	Director/Transmission Projects
4	Tmty. M.Maheswari Bai, B.Com., ACMA., From 29.2.2016 to 21.9.2016 Tmy. M.Maheswari Bai, B.Com., ACMA. From 21.9.2016 to till date	Director/ Finance (I/c) Director(Finance)
5	Tmy. A. Axilium Jayamary, B.E. From 30.11.2015 to till date	Director/Operation,
6	Thiru M. Pandi, B.E. From 12.8.2015 to 30.11.2016 Tmty. M. A. Helen, M.E. From 1.2.2016 to till date	Part Time Director, TANTRANSCO Director (Distribution), TANGEDCO Part Time Director, TANTRANSCO Director (Distribution), TANGEDCO
7	Thiru K. Sivaprakasam, B.E. From 12.8.2015 Thiru. T. Velmurugan, B.E. From 21.9.2016 to till date	Part time Director, TANTRANSCO Director (Generation), TANGEDCO Part time Director, TANTRANSCO Director (Generation), TANGEDCO
8	Thiru. N.S. Palaniappan, I.A.S (from 9.12.2015 to 3.7.2016) Dr. Rajeev Ranjan, I.A.S (from 4.7.2016 to 5.3.2017) Thiru. Vikram Kapoor, I.A.S (from 6.3.2017 to till date)	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. Principal Secretary to Govt., Energy Department, Ex-officio Director, TANTRANSCO, TANGEDCO & TNEB Ltd.
9	Thiru. K.Shanmugam, I.A.S.	Additional Chief Secretary to Government, Finance Department. Ex-officio Director, TANGEDCO, TANTRANSCO & TNEB Ltd.
10	Thiru M.S.Shanmugam, I.A.S. (From 05.11.2015 to till date)	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 2017; and of the revenue account for that period. The rates of depreciation adopted are as per the notification issued by the Hon'ble 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.

Sd/-

Date: 31.10.2017 **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/16-17/112 **Dated : 24 January 2018**

To
Managing Director,
Tamil Nadu 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, 2017 – reg.

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, 2017 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/- 24/1/18
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 2017.

The preparation of financial statements of Tamil Nadu Transmission Corporation Limited, Chennai for the year ended 31 March 2017 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 31st October 2017.

I, on the 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 31 March 2017. 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. Notes forming part of the Financial Statements

1. Significant Accounting Policies

Note - 2.8 : Revenue Recognition

The Company recognizes both Transmission

B. Balance Sheet

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

Gross Block – ₹ 33,895.39 crore

a) The above does not include ₹ 148.58 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 ₹148.58 crore.

b) The above includes ₹ 14.05 crore being the value of works related to 33 KV SS not pertaining to TANTRANSCO. This has resulted in overstatement of the above head as also Inter-unit account (cr) to the extent of ₹ 14.05 crore.

3. Net Current Assets : ₹ 20180.05 crore

a) The above head includes ₹ (-) 645.83 crore being the inter unit (debit) balance for the year 2016-17. The exhibition of negative balance on account of non-reconciliation does not reflect the fairness of the financial statements.

b) The above head does not include ₹ 9.29 crore being the principal amount claimed by SR Constituents towards transmission and wheeling charges payable to Karnataka and Rs.3.19 crore being the interest claim for the said amount resulted in understatement of the above head.

4. Receivable against supply of power (Schedule -26(b)) ₹ 5.28 crore

a) The above amount does not include ₹ 51.34 crore being the amount pertaining to arrears of Point of Connection charges claimed from M/s Power Grid Corporation of India Limited for the period July 2011 to September 2015. This has resulted in understatement of prior period income and sundry debtors /receivables to that extent of ₹ 51.34 crore.

b) The above amount does not include ₹ 6.90 crore [(Account Code: 23.121 to 129)-Sundry Debtors for transmission charges to traders] being the claiming of fixed charges of CTU Asset maintained by TNEB on SR constituents resulted in understatement of the above head to that extent.

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

Place : Chennai
Date : 24.01.2018

Sd xxx
Accountant General

TAMILNADU TRANSMISSION CORPORATION LIMITED

Comptroller and Auditor General of India's comments on the Annual Accounts for the FY 2016-17 and Balance sheet as on 31.3.2017 and Management reply thereon

AG. COMM No.	AG COMMENT	MANAGEMENT REPLY
A.	**Revenue Account** **Income.** **Revenue from Transmission charges :** **Rs 2288.34 crore** This does not include ₹ 69.76 crore being the point of connection charges and ₹ 105.16 crore being the amount of O&M charges for the current year 2016-17 which were wrongly classified under Other Income (Miscellaneous Receipts). This has resulted in understatement of operating income to that extent of ₹ 174.92 crores.	The said amounts have been classified as other income in the Intra-state Transmission Tariff orders of the State Commission. Any revision in classification will be suitably incorporated in the accounts for the FY 2017-18.
B.	**Balance Sheet:** **2. Fixed Assets and Provision for Depreciation (Schedule - 19)** **Gross Block – ₹ 33,895.39 crore** a) The above does not include ₹ 148.58 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 ₹ 148.58 crore.	SE/O/Salem ₹ 1.30 Crs SE/O/Tiruvalam ₹ 1.22 Crs SE/Operation /Madurai ₹ 80.62 Crs SE/Operation/Coimbatore ₹ 2.46 Crs SE/Operation/Villupuram ₹ 62.98 Crs TOTAL **₹ 148.58 Crs** Insurance 1% on the added asssets ₹ 1.48 Crs. This will be brought in to accounts in 2017-18.
	b) The above includes ₹ 14.05 crore being the value of works related to 33 KV SS not pertaining to TANTRANSCO. This has resulted in overstatement of the above head as also Inter-unit account (cr) to the extent of ₹ 14.05 crore.	SE/Operations/Coimbatore ₹ 4.57 Crs. HQ Balance Sheet ₹ 9.48 Crs. TOTAL **₹ 14.05 Crs.** This will be accounted properly in 2017-18 by transferring to TANGEDCO.
3.	**Net Current Assets : ₹ 20180.05 crore** a) The above head includes ₹ (-)645.83 crore being the inter unit (debit) balance for the year 2016-17. The exhibition of negative balance on account of non-reconciliation does not reflect the fairness of the financial statements.	Reconciliation is under progress and this will be completed in 2017-18 and accounted properly.

	b) The above head does not include ₹ 9.29 crore being the principal amount claimed by SR constituents towards transmission and wheeling charges payable to Karnataka and ₹ 3.19 crore being the interest claim for the said amount resulted in understatement of the above head.	The reconciliation with Karnataka State towards payable is under progress. However, this fact which is brought into Notes on Accounts will be accounted in the accounts on r econciliation.
4.	**Receivable against supply of power (Schedule -26(b))₹ 5.28 crore** a)The above amount does not include ₹ 51.34 crore being the amount pertaining to arrears of Point of connection charges claimed from M/s Power Grid Corporation of India Limited for the period July 2011 to September 2015. This has resulted in understatement of prior period income and sundry debtors / receivables to that extent of ₹ 51.34 crore.	The PGCIL will be approached to get the prior period arrears of Point of Connection Charges (i.e from 2011-9/15) and accounted in 2017-18.
	b) The above amount does not include ₹ 6.90 crore [(Account Code: 23.121 to 129)- Sundry Debtors for transmission charges to traders] being the claiming of fixed charges of CTU Asset maintained by TNEB on SR constituents resulted in understatement of the above head to that extent.	The concerned sundry debtors will be approached to get the fixed charges in 2017-18 and accounted accordingly.

B. THIAGARAJAN & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
TAMILNADU TRANSMISSION CORPORATION LIMITED, CHENNAI.

Report on the Financial Statements :

1. We have audited the accompanying financial statements of **TAMILNADU TRANSMISSION CORPORATION LIMITED** ("TANTRANSCO"/"the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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

2. 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.

3. 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.

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Auditors' Responsibility

4. Our responsibility is to express an opinion on these financial statements based on our audit.

5. 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.

6. 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.

7. 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.

8. 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

9. *Reference is invited to Schedule 36 forming part of the Accounts regarding depreciation on the revalued portion of assets adjusted against the Revaluation Reserve for the Financial Years 2010-11 to 2016-17 which is not accordance with Indian Accounting Standards ("Ind AS") and the provisions of Companies Act, 2013. The impact of such adjustments is the understatement of the Depreciation charged to the Revenue Account and consequentially the Loss before tax as per Revenue Account for the current year of the Company by Rs 607.26 Crores (up to Previous Year Rs 1214.52 Crores) and impact of such adjustments for the Financial Years 2014-15, 2015-16 and 2016-17 is the*

overstatement of the Surplus as per the Balance Sheet by Rs 1,821.78 Crores (upto Previous Year Rs. 1,214.52 Crores);

10. *Non capitalization of commissioned projects at GCC - Chennai in respect of various Operation circles during the current year amounting to Rs. 72.00 Crores has resulted in understatement of Fixed Assets and over statement of Capital Work In Progress to that extent;*

Paragraphs 9 to 10 above has the effect of understatement of the current year's losses to the extent of Rs 607.26 Crores and has the effect of overstatement of Surplus as per Balance Sheet for the Year Ended 31st March 2017 and overstatement of Capital Work in Progress and understatement of Fixed Assets to the extent of Rs.72 Crores;

11. *Reference is invited to Note II (16) forming part of the Accounts regarding pension payments of existing pensioners of erstwhile TNEB being paid by TANGEDCO since no segregation of pensioners' liability has been finalized in the provisional transfer scheme. The Company has not recognised the overall liability towards pension dues. The payments of pension to those who have retired from 1st April 2016 to 31.03.2017 are made by TANGEDCO and one seventh towards TANTRANSCO's share for the FY 2016-17 to the tune of Rs. 302.43 Crores has been made in the accounts;*

12. *There were commissioned projects amounting to Rs.25.00 Crores accounted for as transferred by GCC – Chennai during the previous year which remained un-accounted as Fixed Assets by Electricity Distribution Circles (EDC) –Central as at the previous year end. These assets has been recorded in the books of EDC during the current year resulting in the understatement of depreciation during the current year, impact of which is not ascertainable;*

13. *The Company has not incurred any expenditure towards Corporate Social Responsibility (CSR) during the current year as required under the provisions of Companies Act, 2013;*

14. *Reference is invited to Note II (9) forming part of the Accounts regarding Inter Unit balances of Rs. (-) 645.83 Crores as at 31st March 2017 (As at Previous Year Rs.(-) 301.89 Crores) which is subject to reconciliation. The impact of such non reconciliation is not ascertainable as at 31st March 2017;*

15. *Reference is invited to Note I (6) forming part of the Accounts regarding Accounting policy for depreciation on fixed assets which have been calculated as per the regulations of Tamil Nadu Electricity Regulatory Commission and not using the rates arrived at based on useful life in the manner specified in Schedule II of the Companies Act, 2013, impact of which is not ascertainable;*

16. *Reference is invited to Schedule 19 forming part of the Accounts, regarding accounting of Fixed Assets sold or withdrawn during the year, the value of deduction from the Gross block does not correspond to the value of such item of fixed asset included in the gross block, which is either at cost or revalued basis. This has the effect of overstatement of Gross block and Net block as at the Year end, the impact of which is not ascertainable fully for want of supporting documents;*

17. *In the absence of proper records by the various circles of the Company including GCCs, Operation, Protection and Communication (P&C), Non-Conventional Energy Sources (NCESs) and Head Office, overall service tax liability due and payable and its reconciliation with the actual amount paid, the actual service tax liability from 1st July 2012 is not ascertainable and the impact on the accounts therein is not ascertainable. Further, Service tax paid by the Company on vehicles taken on hire is not uniform and inconsistent with the provision relating to payment on reverse service mechanism under the Finance Act, 1994, the impact of which is not ascertainable;*

18. *Reference is invited to Note II (23) forming part of the Accounts 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;*

19. *Reference is invited to Note II (24) forming part of the Accounts regarding accounting policy for staff loans wherein interest on such loans is recovered and accounted for as income in the books of account after the principal sum has been fully recovered from respective employees concerned. This is not in accordance with generally accepted accounting principles, the effect of which is not ascertainable as at 31st March 2017;*

20. *In respect of bank account maintained with Canara Bank vide Account No.22266 (Schedule 24), credit entries aggregating to Rs.279,736/- are yet to be identified and the effect of such un-identified items on the Revenue Account and Balance Sheet as at 31st March 2017 is not ascertainable;*

The effect of Paragraphs 11 to 20 above on the Loss of the Company for the year ended 31st March 2017 is not ascertainable and the consequential impact on the resulting balances is not ascertainable.

21. *Reference is invited to Schedule 19 forming part of Accounts relating to Fixed assets balances wherein, in the absence of supporting documents and records, we are not in a position to verify the details of addition to fixed assets made during the year;*

22. *In the absence of full details of the expenses reimbursable to TANTRANSCO from Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and vice-versa, and non-confirmation of balances thereon, we are not in a position to certify the correctness or otherwise of these figures in the Revenue Account and Balance Sheet respectively;*

23. *In the absence of full details of the Revenue/Income reimbursable to TANTRANSCO from TANGEDCO, and non-confirmation of balances thereon, we are not in the position to certify the correctness or otherwise of these figures in the Revenue Account and Balance Sheet respectively;*

24. *In the absence of reconciliation exercise of inter-unit balances between books of accounts maintained by Head Quarters (HQ) and circles, we are not in a position to certify the correctness of the Inter Unit;*

25. *In view of the fact that inter unit balances of HQ and circles are not reconciled in respect of payments directly made by the HQ to the contractor and/or suppliers of materials, on behalf of the circles, and the fact that such payments are not subsequently completely recorded by the respective circle as per Company policy, and in the absence of confirmation from the respective contractors/suppliers, we are unable to certify the correctness of the liability for supply material and contractors account;*

26. *In the absence of adequate records for Deposit Contribution Works (DCW), the correctness of balances shown in the books of account could not be confirmed;*

27. *There are no general ledgers maintained in the Head Office/Operation/General Construction Circles (GCC) and other units and only monthly statement of account are maintained;*

28. *There are no registers or records to support the value of land belonging to the company and in respect of land purchased by TANTRANSCO for establishment of sub-stations and Transmission lines, in many cases, the title deeds relating to the same are registered in the name TANGEDCO / TNEB and not in the name of TANTRANSCO;*

29. *Due to non-maintenance of proper records and non-confirmation of balance towards Security Deposit, Earnest Money Deposit (EMD) and Other Deposits received from suppliers and contractors, we are not in a position to certify correctness or otherwise of such balances;*

30. *Other than nodal circles wherein separate cash book is maintained since there is a separate bank account operated in the nodal circles only, no separate cash book is maintained for TANTRANSCO;*

31. Register of Members and Register of Directors as required under the provisions of Companies Act, 2013 have not been updated;

The effect of Paragraphs 21 to 31 above on the Loss of the Company for the year ended 31st March 2017 and resulting balances thereon is not ascertainable.

32. Reference is invited to Note I (18) forming part of the Accounts regarding Applicability of Ind AS to the Company with effect from Accounting period beginning 1st April 2016 based on the net worth criteria. The Company has not adopted principles laid down in Ind AS notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2016 in accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, in the preparation of the Financial Statement for the Year Ended 31st March 2017, including:

a) Valuation of inventories as per Ind AS 2 – "Inventories", the effect of which is not ascertainable in the absence of details;

b) Accounting of prior period income and expenses as per Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", the effect of which is not ascertainable in the absence of details;

c) Accounting including recognition, measurement, depreciation of Fixed Assets as per Ind AS 16 – "Property, Plant and Equipment", the effect of which is not ascertainable in the absence of details;

d) Accounting of provision for long term employee benefits like Gratuity, GPF, CPS, Leave encashment, Gratuity etc., as per Ind AS 19 - 15 "Employee benefits", the effect of which is not ascertainable in the absence of details;

e) Accounting of Income Tax as per Ind AS 12 – "Income taxes", the effect of which is not ascertainable in the absence of details;

f) Accounting of Grants received as per Ind AS- "Accounting for Government Grants and Disclosure of Government Assistance", the effect of which is not ascertainable in the absence of details;

g) Accounting for provision for impairment of assets as per Ind AS 36 – "Impairment of Assets", effect of which is not ascertainable in the absence of details;

h) Accounting for borrowing costs as per Ind AS 23 – "Borrowing Costs", the effect of which is not ascertainable in the absence of details;

i) Accounting of changes in foreign exchange rates as per Ind AS 21 – "The effects of changes in foreign exchange rates", the effect of which is not ascertainable in the absence of details;

j) Accounting including recognition, measurement and disclosure of provisions, contingent liabilities and contingent assets as per Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", the effect of which is not ascertainable in the absence of details;

k) Accounting of revenue as per Ind AS 115 – "Revenue from contracts with customers", the effect of which is not ascertainable in the absence of details;

The effect of Paragraphs 32 above on the Loss of the Company for the year ended 31st March 2017 and resulting balances thereon is not ascertainable.

33. The Company has not appointed Independent Director to the Board as required under the provisions of Companies Act, 2013;

34. During the year no Internal Auditors have been appointed by the Company in the manner required under Companies Act, 2013;

The effect of Paragraphs 33 and 34 does not have an impact on the loss of the Company for the year ended 31st March 2017.

Emphasis of Matter

35. Since the company follows the provisions of Electricity (Supply) Annual Accounts Rules, 1985 ("ESAAR"), the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement are not prepared as per of the Companies Act, 2013.

36. Reference is invited to Note II(5) regarding 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, Government of India.

37. Reference is invited to Note II(7) forming part of Accounts on the non-availability of confirmations 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;

38. Reference is invited to Note No.8 of Notes to Accounts Part-II on income from service, the company has not accounted and provided for its liability towards service tax fully as the amount is not quantified and provision for the same has not been made.

39. Reference is invited to Note No.14 of Notes to Accounts Part-II regarding transmission charges receivable from TANGEDCO and other open access customers which have been limited to the extent of Rs. 2288.35 Crores for the Financial Year 2016-17.

40. Reference is invited to Note No. II(27) regarding non reconciliation of dues payable to Karnataka and Andhra Pradesh Govt. on account of Transmission/Wheeling and Reactive energy charges.

Qualified Opinion

41. In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of our comments described in the 'Basis for Qualified Opinion' Paragraph 9 to 34, 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,

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017 and

b) in the case of the Revenue Account, of the LOSS for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

42. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

43. 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. Subject to our comments in Paragraph 21 to 31 described in the 'Basis for Qualified Opinion' paragraph, in our opinion, and 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 do not comply with the Ind AS specified under Section 133 of the Act as per our comments in Paragraph 32 described in the 'Basis for Qualified Opinion';

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 B;

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.

iii. Transfer of any amount to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under is not applicable to the company during the period under review.

iv. Vide Second Proviso (c) of sub-section (1) of Section 129 of Companies Act, 2013, the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 relating to holdings and dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 is not applicable to the Company.

For B Thiagarajan & Co
Chartered Accountants
Firm Regn.No.004371S

Ram Srinivasan
Partner
M No. 220112

Place: Chennai
Date: 31-Oct-17

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph 42 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, 2017)

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:

1. (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 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 respect of the titles deeds of immovable properties of the Company, since there are no registers or records in support of the Land belonging to the company and since in respect of the land purchased by TANTRANSCO for establishment of sub-stations, and Transmission lines, the title deeds are registered in the name TANGEDCO /TNEB and not in the name of TANTRANSCO in many cases, we are unable to comment on the accuracy of the same.

2. 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.

3. 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.

4. The Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. The Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under Section 186 of the Act during the year and has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security outstanding at the year end.

5. The company has not accepted any fresh deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to deposits accepted from public are not applicable.

6. 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, subject to our report in para 21 to 31 in the "Basis for Qualified Opinion". We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records, the company has been generally regular in depositing undisputed statutory dues to Employee State Insurance, Employee Pension Scheme, Customs duty, Sales Tax, Income tax, Provident Fund contribution, Service tax and other material statutory dues applicable to it with the appropriate authorities.

   According to the information and explanations given to us, no undisputed demands in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable; except as mentioned in the "Basis for Qualified Opinion".

   (b) According to the information and explanations given to us, there are no disputed demands in respect of Income tax, Service tax, Customs duty, Sales Tax, and other material statutory dues as applicable, which have been deposited with the relevant statutory authority as at 31st March, 2017, except as described in Paragraph 17 in the **'Basis for Qualified Opinion' Paragraph relating to un-ascertainability of service tax dues from 1st July 2012.**

   (c) In our opinion and according to the information and explanations given to us, 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 31st March 2017.

8. The Company has taken loans from financial institutions, as given below, and from the government and has not issued any debentures.

Rs. In Crores

Financial Institution/Agency	Amount
Rural Electrification Corporation Ltd (REC)	1,700.72
Power Finance Corporation Ltd (PFC)	1,242.57
National Bank for Agriculture and Rural Development (NABARD)	80.23
Japan International Cooperation Agency (JICA)	515.03
TOTAL	**3,538.55**

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 *except in respect of the default of repayment of interest dues of the following Loans:*

Rs. In Crores

Financial Institution/Agency	***Year of default***	***Amount of Interest in default***
Loan from GoTN (JICA schemes)	*2016-17*	*7.56*
Loan from GoTN (KfW schemes)	*2016-17*	*1.24*
Total		**8.80**

9. *Based on 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. According to the information and explanations given to us the loans were utilized for the purpose for which the loans were obtained.*

10. *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.*

11. *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.*

12. *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.*

13. *In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013.* ***We are unable to comment as to whether such disclosures are in accordance with applicable Ind AS since the Company has not been complied with Ind AS.***

14. 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.

15. 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.

16. 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.

For B Thiagarajan & Co
Chartered Accountants
Firm Regn.No.004371S

Ram Srinivasan
Partner
M No. 220112

Place: Chennai
Date: 31st Oct 17

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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")

(Referred to paragraph 43(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. We have audited the internal financial controls over financial reporting of **TAMIL NADU TRANSMISSION CORPORATION LIMITED** ("the Company") as of March 31, 2017 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

2. 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

3. 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.

4. 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.

5. 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:

6. 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:

7. 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.

Basis for Qualified Opinion:

8. *The implementation of financial controls and reporting framework needs to be strengthened by the management;*

9. *No external confirmation had been obtained from trade creditors, trade debtors, security deposits, EMD;*

10. *Reconciliation of Inter Unit accounts and transfers and transactions from and to TANGEDCO have not been carried out and reconciled;*

11. *Fixed assets register is not maintained; fixed assets are not tagged and are not verified on regular basis;*

12. *The process followed for accounting for inventory and periodical verification is inadequate.*

Opinion

13. In our opinion, to the best of our information and according to the explanations given to us, the company has to strengthen the Internal Financial Controls system in the areas as described above, over Financial Reporting and such Internal Financial Controls system over Financial Reporting, established by the company needs to be strengthened and hence was not operating effectively as on 31st March 2017, 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, and these deficiencies have also affected our opinion on financial statements of the company and we have issued an qualified opinion.

For B Thiagarajan & Co
Chartered Accountants
Firm Regn.No.004371S

Ram Srinivasan
Partner
M No. 220112

Place: Chennai
Date: 31st Oct 17

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2016-17		
Sl.No.	**OBSERVATION OF STATUTORY AUDITOR**	**MANAGEMENT REPLY**
	BASIS FOR QUALIFIED OPINION:	
9	Reference is invited to Schedule 36 forming part of the Accounts regarding depreciation on the revalued portion of assets adjusted against the Revaluation Reserve for the Financial Years 2010-11 to 2016-17 which is not accordance with Indian Accounting Standards ("Ind AS") and the provisions of Companies Act, 2013. The impact of such adjustments is the understatement of the Depreciation charged to the Revenue Account and consequentially the Loss before tax as per Revenue Account for the current year of the Company by Rs 607.26 Crores (up to Previous Year Rs. 1214.52 Crores) and impact of such adjustments for the Financial Years 2014-15, 2015-16 and 2016-17 is the overstatement of the Surplus as per the Balance Sheet by Rs 1,821.78 Crores (upto Previous Year Rs. 1,214.52 Crores);	The financial statements have been prepared in compliance with the provisions of Electricity (Supply) Annual Accounts Rules, 1985. Since ESSAR is sailent on provision of depreciation on revalued portion of fixed assets, ame treatment has been followed consistently for all the years.
10	Non capitalization of commissioned projects at GCC - Chennai in respect of various Operation circles during the current year amounting to Rs. 72.00 Crores has resulted in understatement of Fixed Assets and over statement of Capital Work In Progress to that extent;	The balance amount of Rs. 72 crores will be capitalized during the FY 2017-18 .
11	Reference is invited to Note II(16) forming part of the Accounts regarding pension payments of existing pensioners of erstwhile TNEB being paid by TANGEDCO since no segregation of pensioners' liability has been finalized in the provisional transfer scheme. The Company has not recognised the overall liability towards pension dues. The payments of pension to those who have retired from 1.4.2016 to 31.03.2017 are made by TANGEDCO and one seventh towards TANTRANSCO's share for the FY 2016-17 to the tune of Rs. 302.43 Crores has been made in the accounts; Cash basis; full liability not provided.	Factual
12	There were commissioned projects amounting to Rs.25.00 Crores accounted for as transferred by GCC – Chennai during the previous year which remained un-accounted as Fixed Assets by Electricity Distribution Circles (EDC) –Central as at	The assets brought into account during the FY 2016-17.

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
	the previous year end. These assets has been recorded in the books of EDC during the current year resulting in the understatement of depreciation during the current year, impact of which is not ascertainable;	
13	The Company has not incurred any expenditure towards Corporate Social Responsibility (CSR) during the current year as required under the provisions of Companies Act, 2013.	The framing of policy is under process.
14	Reference is invited to Note II(9) forming part of the Accounts regarding Inter Unit balances of Rs. (-) 645.83 Crores as at 31st March 2017 (As at Previous Year Rs (-) 301.89 Crores) which is subject to reconciliation. The impact of such non reconciliation is not ascertainable as at 31st March 2017;	Factual
15	Reference is invited to Note I(6) forming part of the Accounts regarding Accounting policy for depreciation on fixed assets which have been calculated as per the regulations of Tamil Nadu Electricity Regulatory Commission and not using the rates arrived at based on useful life in the manner specified in Schedule II of the Companies Act, 2013, impact of which is not ascertainable;	Factual
16	Reference is invited to Schedule 19 forming part of the Accounts regarding accounting of Fixed Assets sold or withdrawn during the year, the value of deduction from the Gross block does not correspond to the value of such item of fixed asset included in the gross block, which is either at cost or revalued basis. This has the effect of overstatement of Gross block and Net block as at the Year end, the impact of which is not ascertainable fully for want of supporting documents;	The difference due to revalued value of assets sold/withdrawn will be worked out and incorporated in the books of accounts during the FY 2017-18.
17	In the absence of proper records by the various circles of the Company including GCCs, Operation, Protection and Communication (P&C), Non-Conventional Energy Sources (NCESs) and Head Office, overall service tax liability due and payable and its reconciliation with the actual amount paid, the actual service tax liability from 1st July 2012 is not ascertainable and the impact on the accounts therein is not ascertainable.. Further, Service tax	Factual. Service tax payments are regulated in order to comply with the provisions of the present act in force.

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
	paid by the Company on vehicles taken on hire is not uniform and inconsistent with the provision relating to payment on reverse service mechanism under the Finance Act, 1994, the impact of which is not ascertainable.	
18	Reference is invited to Note II (23) forming part of the Accounts 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
19	• Reference is invited to Note II(24) forming part of the Accounts regarding accounting policy for staff loans wherein interest on such loans is recovered and accounted for as income in the books of account after the principal sum has been fully recovered from respective employees concerned. This is not in accordance with generally accepted accounting principles, the effect of which is not ascertainable as at 31st March 2017;	Factual
20	• In respect of bank account maintained with Canara Bank vide Account No. 22266 (Schedule 24), credit entries aggregating to Rs 279736 are yet to be identified and the effect of such un-identified items on the Revenue Account and Balance Sheet as at 31st March 2017 is not ascertainable;	This will be identified and appropriately accounted in the books of accounts during the FY 2017-18.
21	Reference is invited to Schedule 19 forming part of Accounts relating to Fixed assets balances wherein in the absence of supporting documents and records, we are not in a position to verify the details of addition to fixed assets made during the year;	The assets registers are reconstructed in all units and updating is in progress.
22	In the absence of full details of the expenses reimbursable to TANTRANSCO from Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and vice-versa, and non-confirmation of balances thereon, 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 during the FY 2017-18.
23	In the absence of full details of the Revenue/Income reimbursable to TANTRANSCO from TANGEDCO, and non-confirmation of balances thereon, 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 2017-18.

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
24	In the absence of reconciliation exercise of inter-unit balances between books of accounts maintained by Head Quarters (HQ) and circles, we are not in a position to certify the correctness of the Inter Unit.	The inter-unit transaction details are available in both Headquarters and circles; however the reconciliation will be completed during the FY 2017-18.
25	In view of the fact that inter unit balances of HQ and circles are not reconciled in respect of payments directly made by the HQ to the contractor and/or suppliers of materials, on behalf of the circles, and the fact that such payments are not subsequently completely recorded by the respective circle as per Company policy, and in the absence of confirmation from the respective contractors/suppliers, we are unable to certify the correctness of the liability for supply material and contractors account.	In respect of liability for supply of material and contractors account, it is factual. However steps will be taken to obtain the confirmation by 31.03.2018.
26	1. In the absence of adequate records for Deposit Contribution Works (DCW), the correctness of balances shown in the books of account could not be confirmed;	The records being maintained will be updated and reconcilied by 31.3.2018 since the opening balance under this head has been incorporated as per the Final Transfer Scheme during the FY 2015-16.
27	There are no general ledgers maintained in the Head Office/Operation/General Construction Circles (GCC) and other units and only monthly statement of account are maintained;	General ledger is being maintained. However the same will be updated.
28	There are no registers or records to support the value of land belonging to the company and in respect of land purchased by TANTRANSCO for establishment of sub-stations and Transmission lines, in many cases, the title deeds relating to the same are registered in the name TANGEDCO /TNEB and not in the name of TANTRANSCO;	The details of Land allotted to TANTRANSCO under the Final Transfer Scheme is available. The updation of Assets register for the land purchased subsequent to the Final Transfer Scheme is underway. From the FY 2017, the Lands purchased by TANTRANSCO are in the name of TANTRANSCO only.
29	Due to non-maintenance of proper records and non-confirmation of balance towards Security Deposit, Earnest Money Deposit (EMD) and Other Deposits received from suppliers and contractors, we are not in a position to certify correctness or otherwise of such balances;	Factual. However steps will be taken to obtain the confirmations by 31.03.2018.
30	Other than nodal circles wherein separate cash book is maintained since there is a separate bank account operated in the nodal circles only, no separate cash book is maintained for TANTRANSCO;	Factual
31	Register of Members and Register of Directors as required under the provisions of Companies Act, 2013 have not been updated;	Since updated

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
32	Reference is invited to Note I(18) forming part of the Accounts regarding Applicability of Ind AS to the Company with effect from Accounting period beginning 1st April 2016 based on the net worth criteria. The Company has not adopted principles laid down in Ind AS notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2016 in accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, in the preparation of the Financial Statement for the Year Ended 31st March 2017, including:	TANTRANSCO is in the process of detailed analysis of financial implications of adopting "Ind AS". It is proposed to adopt the same in the FY 2017-18.
	a) Valuation of inventories as per Ind AS 2 – "Inventories", the effect of which is not ascertainable in the absence of details;	This is as per para 2.20 of Annexure V of Electricity (Supply) Annual Accounts Rules, 1985 (ESAAR) issued under Sec. 69 (1) of the Electricity (Supply) Act, 1948. With the promulgation of Electricity Act, 2003, the Act of 1948 was repealed while the ESAAR has been saved by virtue of Sec. 185 of the new Act of 2003. As such, the provisions of ESAAR are still applicable.
	b) Accounting of prior period income and expenses as per Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", the effect of which is not ascertainable in the absence of details;	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 confirm with ESAAR.
	c) Accounting including recognition, measurement, depreciation of Fixed Assets as per Ind AS 16 – "Property, Plant and Equipment", , the effect of which is not ascertainable in the absence of details;	Depreciation policy is adopted as per para 2.60 of ESAAR and the same has been consistantly followed and declared policy of the company.
	d) Accounting of provision for long term employee benefits like Gratuity, GPF, CPS, Leave encashment, Gratuity etc., as per Ind AS 19 - 15 "Employee benefits", the effect of which is not ascertainable in the absence of details;	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.
	e) Accounting of Income Tax as per Ind AS 12 – "Income taxes", the effect of which is not ascertainable in the absence of details;	The Question of deferred taxation does not arise, as TANTRANSCO has its own share of carried forward losses from erstwhile TNEB.

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
	f) Accounting of Grants received as per Ind AS- "Accounting for Government Grants and Disclosure of Government Assistance", the effect of which is not ascertainable in the absence of details;	The accounting of Grants received is as per the provisions of ESAAR
	g) Accounting for provision for impairment of assets as per Ind AS 36 – "Impairment of Assets", effect of which is not ascertainable in the absence of details;	This is as per the provisions of ESAAR.
	h) Accounting for borrowing costs as per Ind AS 23 – "Borrowing Costs", the effect of which is not ascertainable in the absence of details;	The accounting of Borrowing costs is as per the provisions of ESAAR.
	i) Accounting of changes in foreign exchange rates as per Ind AS 21 – "The effects of changes in foreign exchange rates", the effect of which is not ascertainable in the absence of details;	The accounting of changes in foreign exchange rates is as per the provisions of ESAAR.
	j) Accounting including recognition, measurement and disclosure of provisions, contingent liabilities and contingent assets as per Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", , the effect of which is not ascertainable in the absence of details;	This is as per the provisions of ESAAR.
	k) Accounting of revenue as per Ind AS 115 – "Revenue from contracts with customers", the effect of which is not ascertainable in the absence of details;	Since Transfer of personnel is yet to be finalized and this issue could be addressed on finalization of Transfer of personnel only.
33	The Company has not appointed Independent Director to the Board as required under the provisions of Companies Act, 2013;	The appointment of Independent Director is under process.
34	During the year no Internal Auditors have been appointed by the Company in the manner required under Companies Act, 2013;	There is an Internal Audit Department functioning under the control of Senior Deputy Chief Internal Audit Officer to conduct internal audit and to check other internal controls over the system. However, necessary action will be initiated to comply with the provision stated in the Companies Act 2013 to appoint a professional as a internal auditor.
35	Since the company follows the provisions of Electricity (Supply) Annual Accounts Rules, 1985 ("ESAAR"), the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement are not prepared as per of the Companies Act, 2013.	Factual
36	Reference is invited to Note II(5) regarding The Exchange rate variation for the drawal of loan has	Factual

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
	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, Government of India.	Factual
37	Reference is invited to Note II(7) forming part of Accounts on the non-availability of confirmations 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;	confirmations 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 confirmation in respect of balances for Sundry Creditors, Sundry Debtors, Loans and Advances, other deposits, advances, amount due to TANGEDCO and amount due from TANGEDCO by 31.3.2018.
38	Reference is invited to Note No.8 of Notes to Accounts Part-II on income from service, the company has not accounted and provided for its liability towards service tax fully as the amount is not quantified and provision for the same has not been made.	Factual
39	Reference is invited to Note No.14 of Notes to Accounts Part-II regarding transmission charges receivable from TANGEDCO and other open access customers which have been limited to the extent of Rs. 2288.35 Crores for the Financial Year 2016-17.	Factual
40	Reference is invited to Note No. II(27) regarding non reconciliation of dues payable to Karnataka and Andhra Pradesh Govt. on account of Transmission / Wheeling and Reactive energy charges.	Factual
	As required by Section 143 (3) of the Act, we report that:	
43	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) Subject to our comments in Paragraph 21 to 31 described in the 'Basis for Qualified Opinion' paragraph, in our opinion, and 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

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
	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 do not comply with the Ind AS specified under Section 133 of the Act; as per our comments in Paragraph 32 described in the 'Basis for Qualified Opinion	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 B;	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
	iii) Transfer of any amount to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder is not applicable to the company during the period under review	Factual
	iv) Vide Second Proviso (c) of sub-section (1) of Section 129 of Companies Act, 2013, the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 relating to holdings and dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 is not applicable to the Company.	Factual

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
	ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT	
1	(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 respect of the titles deeds of immovable properties of the Company, since there are no registers or records in support of the Land belonging to the company and since in respect of the land purchased by TANTRANSCO for establishment of sub-stations, and Transmission lines, the title deeds are registered in the name TANGEDCO /TNEB and not in the name of TANTRANSCO in many cases, we are unable to comment on the accuracy of the same.	The details of Land allotted to TANTRANSCO under the Final Transfer Scheme is available. The updation of Assets register for the land purchased subsequent to the Final Transfer Scheme is underway. From the FY 2017, the Lands purchased by TANTRANSCO are in the name of TANTRANSCO only.
2	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.	Reconciliation between value of inventories as per stock registers and accounts are regularly being carried out. However, steps are being taken to further strengthening the maintenance of stores ledger/records.
3	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
4	The Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. The Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under Section 186 of the Act during the year and has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security outstanding at the year end.	Factual
5	The company has not accepted any fresh deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of	Factual

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
	the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to deposits accepted from public are not applicable.	
6	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, subject to our report in para 21 to 31 in the "Basis for Qualified Opinion". We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.	Factual
7	(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records, the company has been generally regular in depositing undisputed statutory dues to Employee State Insurance, Employee Pension Scheme, Customs duty, Sales Tax, Income tax, Provident Fund contribution, Service tax and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed demands in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable; except as mentioned in the "Basis for Qualified Opinion"	Factual
	(b) According to the information and explanations given to us, there are no disputed demands in respect of Income tax, Service tax, Customs duty, Sales Tax, and other material statutory dues as applicable, which have been deposited with the relevant statutory authority as at 31st March, 2017, except as described in Paragraph 17 in the 'Basis for Qualified Opinion' Paragraph relating to un-ascertainability of service tax dues from 1st July 2012.	Factual
	(c) In our opinion and according to the information and explanations given to us, 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 31st March 2017.	Factual

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
8	"The Company has taken loans from financial institutions, as given below, and from the government and has not issued any debentures. Rs. In Crores Financial Institution/Agency — Amount Rural Electrification Corporation Ltd (REC) — 1,700.72 Power Finance Corporation Ltd (PFC) — 1,242.57 National Bank for Agriculture and Rural Development (NABARD) — 80.23 Japan International Cooperation Agency (JICA) — 515.03 TOTAL — 3,538.55	Factual
	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 except in respect of the default of repayment of interest dues of the following Loans: Rs. In Crores Financial Institution/Agency — Year of — Rs. in Crores Amount of Interest in default Loan from GoTN (JICA schemes) — 2016-17 — 7.56 Loan from GoTN (KfW schemes) — 2016-17 — 1.24 Total — 8.80	The unpaid interest on books is due to order from Income Tax Department in respect of certain invester. With regard to the interest due to REC, the same was inadverdently omitted to be adjusted by REC. Hence the same has subsequently been paid.
9	Based on 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. According to the information and explanations given to us the loans were utilized for the purpose for which the loans were obtained.	Factual
10	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
11	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

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
12	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
13	In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013. We are unable to comment as to whether such disclosures are in accordance with applicable Ind AS since the Company has not been complied with Ind AS.	Factual
14	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.	Factual
15	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
16	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
	Internal Control over Financial Reporting	
8	**Basis for qualified opinion** The implementation of financial controls and reporting framework needs to be strengthened by the management.	The financial control framework have been well defined and documented. There are accounting and other manuals, proper delegation of power based on which the entire control including financial control frame work is regulated. Steps will be taken to further strengthening of the implementation of control frame work.
9	No external confirmation had been obtained from trade creditors, trade debtors, security deposits, EMD;	confirmations 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

Sl.No.	OBSERVATION OF STATUTORY AUDITOR	MANAGEMENT REPLY
	BASIS FOR QUALIFIED OPINION:	
		together. Steps will be taken to obtain confirmation in respect of balances for Sundry Creditors, Sundry Debtors, Loans and Advances, other deposits, advances, amount due to TANGEDCO and amount due from TANGEDCO by 31.3.2018.
10	Reconciliation of Inter Unit accounts and transfers and transactions from and to TANGEDCO have not been carried out and reconciled;	Interunit accounts and transaction from and to TANGEDCO will be carried out during the FY 2017-18.
11	Fixed assets register is not maintained; fixed assets are not tagged and are not verified on regular basis;	The assets registers are reconstructed in all units and updating is in progress.
12	The process followed for accounting for inventory and periodical verification is inadequate.	The process followed for accounting for inventory is adequate and periodical verification of stores is also being done. However steps will be taken to strengthen the inventory control.

Sd...
Chief Financial Controller

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
E-mail : chennaiho@vmacs.co.in

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[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** (hereinafter called the **''Company''**), a Government Company as defined under Section 2(45) of the Companies Act, 2013. 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 2017 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 here in after:

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 2017, to the extent applicable, 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 (SubstantialAcquisition 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 (Substantial Acquisition 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 : 19/09/2017

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 review.
3. Minutes of General Body Meetings held during the financial year under review.
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, 2013 and attachments thereof during the financial year under review.

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 and qualifications are attached as 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 : 19/09/2017

ANNEXURE - C

1. List of Non- Compliances:

1. Form MR.1 was not filed for Mr. SIVANU SHANMUGAM, Managing Director and the appointment was passed as circular resolution.
2. Charges satisfied have not been recorded in the Board Meeting
3. Name of the Part-time Director appointed at the 67th Board Meeting was not mentioned in the Minutes.
4. Form MGT-14 to be filed for appointment of Secretarial Auditor.
5. Minutes held as loose sheets & not numbered.

2. ANNUAL GENERAL MEETING:

Non-Compliances:

1. No explanatory statement for special business(increase in authorized capital).

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. If the company fails to spend such amount, the Board shall specify the reasons in the Board Report.

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 except recommendation, terms of appointment which are exempted as per Companies Act, 2013
2. Composition of audit committee to be disclosed.
3. Disclosure about Audit committee- policy to be formulated and be disclosed in the Board report and on the company's website

5. VIGIL MECHANISM:

The policy content has to be disclosed in the website and board report.

6. INTERNAL AUDIT:

1. Internal Auditor shall be Chartered Accountant or a Cost Accountant or such other professional as prescribed under the Companies Act 2013.
2. Form MGT 14 has to be filed for such appointment as per Rule 8 of Section 179(3).

7. SHARE CERTIFICATE:

To be maintained as per Companies Act 2013.

8. REGISTERS

1. Register of Charges to be updated in New Register and has to be altered.
2. Register of Members to be updated as per Companies Act 2013.
3. Register of transfer not updated as per Companies Act 2013.

For V. Mahesh & Associates

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

Place : Chennai
Date : 19/09/2017

TAMIL NADU TRANSMISSION CORPORATION LIMITED

MANAGEMENT REPLY FOR THE SECRETARIAL AUDIT REPORT FOR THE FY ENDED 31.3.2017

1. LIST OF NON-COMPLIANCES :		
1	Form MR.1 was not filed for Mr. SIVANU SHANMUGAM, Managing Director and the appointment was passed as circular resolution.	Note (i) Appointment of Mr. Sivanu Shanmugam, M.D. was approved in the 64th Board Meeting (Agenda/Subject Sl.No.17) held on 31.05.2016 and resolution approved on 01.06.2016.
2	Charges satisfied have not been recorded in the Board Meeting.	Noted, Charges satisfied will be placed before the Board Meeting.
3	Name of the Part-time Director appointed at the 67th Board Meeting was not mentioned in the Minutes.	The name of Thiru. T. Velmurugan, Director/ Generation, TANGEDCO as the part time Director of TANTRANSCO was omitted to be mentioned in the Minutes of the Meeting. However, the filing the same before the RoC is properly complied with.
4	Form MGT-14 to be filed for appointment of Secretarial Auditor.	Filling of MGT 14 will be ensured in future appointment of Secretarial Auditor.
5	Minutes held as loose sheets & not numbered.	Since Numbered.
2. ANNUAL GENERAL MEETING :		
1	No explanatory statement for special business (increase in authorized capital).	Noted for future guidance.
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 spend 2% of the Average net profits as per Schedule VII. If the company fails to spend such amount, the Board shall specify the reason in the Board Report.	M/s. TANTRANSCO is Govt. Company. For the FY 2014-15 & 2015-16 TANTRANSCO incurred loss which hampered TANTRANSCO to comply with this provisions.
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 except recommendation, terms of appointment which are exempted as per Companies Act, 2013.	The provisions of the Companies Act, 2013 have been complied with.
2	Composition of audit committee to be disclosed.	The provisions of the Companies Act, 2013 have been complied with.
3	Disclosure about Audit committee policy to be formulated and be disclosed in the Board report and on the company's website.	The composition of Audit Committee has been disclosed in the Director's Report and the same will be disclosed in the company's website.

5. VIGIL MECHANISM :		
1	The Policy content has to be disclosed in the website and board report.	TNEB Ltd. is having two subsidiary companies namely TANGEDCO and TANTRANSCO. A common separate Vigilance wing for both the companies is functioning to take care of all the vigilance activities. Action will be initiated to comply the provisions of the Companies Act 2013. The same will be disclosed in the website and board report in future.
6. INTERNAL AUDIT :		
1	Internal Auditor shall be chartered accountant or a cost accountant or such other professional as prescribed under the Companies Act 2013.	There is an Internal Audit Department functioning under the control of Senior Deputy Chief Internal Audit Officer to conduct internal audit and to check other internal controls over the system. However, necessary action will be initiated to comply with the provision stated in the Companies Act 2013 to appoint a professional as a internal auditor.
2	Form MGT 14 has to be filed for such appointment as per Rule 8 of Section 179(3).	Necessary forms will be filed with ROC in future appointment.
7. SHARE CERTIFICATE :		
	To be maintained as per Companies Act 2013.	The New share certificate will be maintained as per Companies Act 2013.
8. REGISTERS :		
1 2 3	Register of Charges to be updated in New Register and has to be altered. Register of Members to be updated as per Co. Act 2013. Register of transfer not updated as per Co. Act 2013.	Since updated

Sd.xxx
Company Secretary
TANTRANSCO

TAMIL NADU TRANSMISSION CORPORATION LIMITED

REVENUE ACCOUNT FOR THE YEAR 2016-17					STATEMENT-1
Sch. No.	Particulars	This Year 2016-17		Previous year 2015-16	
		(Rupees in lakhs)			
	UNITS SOLD (in MU)				
	INCOME				
1	Revenue from Transmission	228835		230524	
4	Revenue subsidies & Grants			0	
5	Other Income	28973		20184	
	Total Income "A"		**257808**		**250708**
	EXPENDITURE				
6	Purchase of power	0		0	
7	Generation of Power	0		0	
8	Repairs & Maintenance	1505		1353	
9	Employee costs	108381		96499	
10	Administration & General Expenses	24970		25123	
11	Depreciation & other related debits	59079		48761	
12	Interest and Finance charges	131042		137934	
	Sub Total "B"		**324977**		**309670**
	Less: Expenses capitalised:				
13	Interest & finance charges capitalised	28020		31953	
14	Other expenses capitalised	13262		15302	
	Total expenses capitalised "C"		**41282**		**47255**
	Sub Total (B) - (C)		**283695**		**262416**
15	Other Debits	125		49	
16	Extra ordinary items	70	**195**	0	**49**
	Total (D)		**283890**		**262465**
	Profit before Tax (A)-(D)		**(26082)**		**(11757)**
17	Provision for income tax		**-**		**-**
	Profit after tax		**(26082)**		**(11757)**
18	Net prior period charges/Credit	1412	**1412**		**14583**
	SURPLUS/DEFICIT		**(27493)**		**(26340)**
	Surplus as a percentage of the value of fixed assets of the Board in service at the beginning of the year:		-1.07%		-1.15%

Dr.K. MUTHUPANDIAN
Chief Financial Controller
TANTRANSCO

M. MAHESWARI BAI
Director/Finance
TANTRANSCO

S. SHANMUGAM
Managing Director
TANTRANSCO

D.SURESHKUMAR
COMPANY SECRETARY
TANTRANSCO

For B.THIAGARAJAN & CO.
CHARTERED ACCOUNTANTS
FRNo. 004371S

RAM SRINIVASAN
PARTNER
M.No. 220112

Date : 31.10.2017
Place : Chennai

TAMIL NADU TRANSMISSION CORPORATION LIMITED

NET REVENUE AND APPROPRIATION ACCOUNT FOR THE YEAR 2016-17 STATEMENT-2

Sl. No.	Particulars	This Year 2016-17	Previous year 2015-16
		(Rupees in lakhs)	
1	Balance brought forward from last year	**116811**	**(260031)**
2	Surplus from Revenue Account	**(27493)**	**(26340)**
3	Less: Reversal of opening Accumulated Deficit as per provisional Transfer Scheme	**0**	**403182** -
4	Gross surplus	**89317**	**116811**
5	Revaluation Reserve	**411319**	**472044**
6	Appropriations - i) Contributions to Reserve and Reserve Funds	-	-
	ii) Contribution to Development Fund	-	-
	Balance carried forward	**500636**	**588855**

Dr.K. MUTHUPANDIAN
Chief Financial Controller
TANTRANSCO

M. MAHESWARI BAI
Director/Finance
TANTRANSCO

S. SHANMUGAM
Managing Director
TANTRANSCO

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COMPANY SECRETARY
TANTRANSCO

For B.THIAGARAJAN & CO.
CHARTERED ACCOUNTANTS
FRNo. 004371S

RAM SRINIVASAN
PARTNER
M.No. 220112

Date : 31.10.2017
Place : Chennai

TAMIL NADU TRANSMISSION CORPORATION LIMITED

BALANCE SHEET AS AT 31.3.2017					STATEMENT-3
Sch. No.	Particulars	This year as at 31st March 2017		Previous Year as at 31st March 2016	
		(Rupees in lakhs)			
	NET ASSETS				
19	**Gross Block**		3389539		3054407
	Less: Accumulated Depreciation		495555		375795
	NET FIXED ASSETS		**2893985**		**2678611**
21	Capital Expenditure in Progress		640850		620028
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	2018005		2761107	
	Less: TOTAL CURRENT LIABILITIES				
27	Security Deposits from Consumers	0		0	
28	Other Current Liabilities	2965690		3615335	
	TOTAL CURRENT LIABILITIES	**2965690**		**3615335**	
	NET CURRENT ASSETS		**(947685)**		**(854228)**
29	Subsidy Receivable from Govt.	0	0		0
	Deficit	0	0		0
	NET ASSETS		**2587150**		**2444412**
	FINANCED BY				
30	Borrowings for Working Capital		0		0
31	Payments due on Capital Liabiliites		937		56413
32	Capital Liabilities		1329824		999848
33	Funds from State Government		413553		498543
34	Contributions,Grants and Subsidies		148669		141722
35	Reserves and Reserve Funds		193531		159031
	Surplus		**89317**		**116,811**
36	Revaluation Reserve		411,319		472,044
	TOTAL FUNDS		**2587150**		**2444412**

Dr.K. MUTHUPANDIAN
Chief Financial Controller
TANTRANSCO

M. MAHESWARI BAI
Director/Finance
TANTRANSCO

S. SHANMUGAM
Managing Director
TANTRANSCO

D.SURESHKUMAR
COMPANY SECRETARY
TANTRANSCO

For B.THIAGARAJAN & CO.
CHARTERED ACCOUNTANTS
FRNo. 004371S

RAM SRINIVASAN
PARTNER
M.No. 220112

Date : 31.10.2017
Place : Chennai

TAMIL NADU TRANSMISSION CORPORATION LIMITED

REVENUE FROM TRANSMISSION CHARGES					SCHEDULE-1
Sl. No.	Particulars	Tariff	Account Code	This year 2016-17 Rs.	Previous year 2015-16 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,	IC	61.395		
	Defence colonies, police quarters				
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	V	61.370		
	under IA, IB, IIA, IIB, IIIA, III B and IV				
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	2288,34,64,542	2305,23,75,176
26	Misc.charges from consumers (Testing Fees)		61.900	0	**0**
	GROSS REVENUE			**2288,34,64,542**	**2305,23,75,176**
27	Electricity Duty Payable	61.541 to	61.579		
	GRAND TOTAL			**2288,34,64,542**	**2305,23,75,176**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

OTHER INCOME				SCHEDULE-5
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Interest on staff loans and advances	62.210 to 62.219	1,86,80,290	1,82,35,590
2	Income from Investments	62.220 to 62.239	6,08,420	
3	Interest on Loans & Advances to Licensees	62.240		
4	Delayed Payment Surcharges collected from consumers	62.250		0
5	Interest on Advances to Suppliers/Contractors	62.260	2,632	4,139
6	Interest from Banks (Other than Fixed Deposit)	62.270	22,987	2,87,661
7	Income from Trading	62.300	1,25,03,323	1,81,35,988
8	Rebate on Power Purchase Bills	62.365	1,60,000	3,21,000
9	Income from Staff Welfare activities	62.600	1,89,168	1,79,428
10	Miscellaneous Receipts	62.900	286,51,40,655	198,12,56,679
	Total		**289,73,07,475**	**201,84,20,485**

REPAIRS AND MAINTENANCE				SCHEDULE-8
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
	Repairs and Maintenance to:			
1	Plant & Machinery	74.110	10,33,00,978	8,75,93,602
2	Buildings	74.210	33,45,606	15,88,347
3	Civil Works	74.310	34,68,530	42,56,204
4	Hydraulic Works	74.410	38,049	18,258
5	Lines, Cables & Networks etc.	74.510	3,18,81,236	3,37,94,988
6	Vehicles	74.600	58,60,288	49,29,808
7	Furniture & Fixtures	74.701	51,864	54,512
8	Office Equipments	74.801	25,28,684	30,79,808
	TOTAL		**15,04,75,235**	**13,53,15,527**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

EMPLOYEE COST				SCHEDULE-9
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Salaries	75.100	273,11,28,441	257,04,00,797
2	Overtime	75.200	14,53,72,841	12,38,44,551
3	Dearness Allowance	75.300	348,21,38,995	299,42,92,353
4	Other Allowance	75.400	19,86,04,148	18,50,91,193
5	Bonus	75.500	14,86,07,360	7,75,82,233
	Sub-Total (1 to 5)		**670,58,51,785**	**595,12,11,127**
6	Medical Expenses Reimbursement	75.611	34,23,657	23,04,127
7	Leave Travel Assistance	75.612	4,11,994	3,76,857
8	Earned Leave Encashment	75.617	42,55,08,688	33,84,33,410
9	Payment Under Workmen's Compensation Act	75.629	43,264	4,70,04,666
	Sub-Total:Other Staff Costs(6 to 9)		**42,93,87,603**	**38,81,19,060**
10	Staff Welfare Expenses	75.700	43,39,721	40,72,383
11	Terminal Benefits	75.800	355,65,51,036	317,40,03,411
12	Board's Contribution to CPS	75.870	14,19,60,982	13,24,68,767
13	Other staff costs	75.600-610		
14	Thermal/Performance/Commissioning/ Golden Jubilee Incentive	75.503-510		
	SUB TOTAL (10 to 12)		**370,28,51,739**	**331,05,44,561**
	Grand Total		**1083,80,91,127**	**964,98,74,748**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

ADMINISTRATION AND GENERAL EXPENSES				SCHEDULE-10
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Rent/Rates and Taxes	76.101,103	75,98,288	80,64,831
2	Insurance	76.104,106,107	10,33,389	7,98,235
3	Insurance(1%on the Net fixed Assets)	76.109	214,58,29,115	220,62,36,754
4	Telephone/Postage/Telegram/Telex charges	76.111 to 119	1,14,97,229	1,12,41,708
5	Legal Charges	76.120,121	87,37,773	1,10,64,568
6	Audit Fees	76.122	8,97,000	7,24,500
7	Consultancy Charges	76.123		0
8	Technical Fees	76.124	3,22,000	7,53,452
9	Other Professional Charges	76.125,126 & 129	31,71,210	17,909
10	Conveyance & Travel	76.131 to 140	13,71,88,011	13,82,80,882
	Sub-Total		**231,62,74,015**	**237,71,82,839**
	OTHER EXPENSES			
1	Fuel for operating machines	76.108		
2	Fees & Subscription	76.151	38,781	58,139
3	Books & Periodicals	76.152	41,632	70,648
4	Printing & Stationery	76.153	48,20,632	41,19,938
5	Training Expenses	76.154	22,85,758	15,37,021
6	Advertisement Expenses	76.155	19,50,602	20,17,654
7	Subscriptions/Contributions to Books & Periodicals	76.157	120	0
8	Electricity Charges	76.158	85,85,003	1,02,22,362
9	Water Charges	76.160	19,10,700	21,96,616
10	Entertainment/Recreations for employees	76.162		0
11	Watch and Ward Expenses.	76.163	10,99,68,765	7,63,14,601
12	Petty Office Maintenance Expenses.	76.164	33,84,844	23,47,375
13	Miscellaneous Expenses	76.190	2,75,13,821	94,25,108
	Sub-Total		**16,05,00,658**	**10,83,09,462**
14	Freight	76.210 to 240	50,70,586	2,49,41,906
15	Other Purchase related Expenses.	76.270 to 281	25,60,000	15,85,418
16	Honororium (Food Allwo.) for SO in Chennai	76.194	2,30,800	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		0
19	Registrar of Companies/Licencee Fee	76.300 to 899	1,23,89,500	0
20	Fringe Benefit Tax	76.193		0
	Sub-Total		**2,02,50,886**	**2,68,39,002**
	GRAND TOTAL		**249,70,25,559**	**251,23,31,303**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

DEPRECIATION AND OTHER RELATED DEBITS (NET)				SCHEDULE-11
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Depreciation	77.100,200	590,78,67,445	487,60,79,989
2	Asset decommissioning costs	77.500	0	
3	Small and low value items	77.600		
4	**Sub-Total (1 to 3)**		**590,78,67,445**	**487,60,79,989**
5	Written down value of assets scrapped	77.710		
6	Write off of deficits of fixed assets observed upon	77.720		
	Physical verification			
7	Loss on sale of Fixed assets	77.730		
8	Others	77.300 to 77.499		
9	**Sub-Total (5 to 8)**		0	0
10	**Total Debits (4+9)**		**590,78,67,445**	**487,60,79,989**
11	LESS: Gain on sale of Assets.	62.400		
	TOTAL		**590,78,67,445**	**487,60,79,989**

INTEREST AND FINANCE CHARGES				SCHEDULE-12
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Interest on State Govt. Loan	78.100		2,29,46,279.00
2	Interest on bonds	78.200	146,50,12,028	1,70,72,78,713.00
3	Interest on Debentures	78.300		-
4	Interest on Foreign Currency Loans/credits	78.400		-
5	Interest on other Loans/Deferred credits	78.500	1105,41,35,157	10,65,25,85,588.00
6	Penal Interest in respect on Capital liabilities	78.591 to 78.599	11,02,43,343	12,58,34,002.00
7	Interest on Security deposit from consumers	78.600		
8	Interest on MCD	78.610		
	TOTAL INT.ON CAPITAL LIABILITIES		**1262,93,90,528**	**12,50,86,44,582**
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	21,66,94,896	33,61,37,756
13	Other Interest	78.853 to 860	10,37,89,381	12,26,67,515
14	Cost of raising finance/Commitment charges.	78.861 to 873	4,42,01,876	3,75,37,475
15	Other Bank Charges/Penal int for E.tax	78.874 to 883	2,78,570	67,36,12,129
16	Guarantee commission to State Government	78.884 to 899	10,98,40,353	11,48,19,190
	TOTAL		**1310,41,95,604**	**1379,34,18,647**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

INTEREST AND FINANCE CHARGES CAPITALISED				SCHEDULE-13
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
	INTEREST CHARGES CAPITALISED			
1	Normal Interest Capitalised	78.910	5,62,05,633	6,89,60,502
2	Interest during Construction stage	78.900	274,57,92,041	312,63,39,286
	TOTAL		**280,19,97,674**	**319,52,99,788**

OTHER EXPENSES CAPITALISED				SCHEDULE-14
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Repair and Maintenance Capitalised	74.900	6,10,16,714	3,79,11,559
2	Employee cost Capitalised	75.900	112,12,88,251	97,40,08,507
3	Fabrication charges added to the stock	76.282	0	68,701
4	Administration and General Expenses Capitalised	76.900	12,74,11,234	50,58,56,221
5	Depreciation and other related costs capitalised	77.900	42,27,435	80,07,249
6	Other debits capitalised	79.900	1,22,48,968	43,13,459
7	Capitalisation of cost of generation during Trial stage	71.900		0
	TOTAL		**132,61,92,602**	**153,01,65,696**

OTHER DEBITS				SCHEDULE-15
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 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	1,24,79,165	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		**1,24,79,165**	**49,30,819**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

EXTRA ORDINARY ITEMS **SCHEDULE-16**

Extra-ordinary items are defined as "Those items which arise from events or transactions outside the ordinary activities of the Board and which are both materials and expected not to recur frequently or regularly". They do not include items, which though exceptional in terms of amount and occurance (and which may therefore require separate disclosure) arise from the events or transactions within the ordinary activities of the Board. Similarly prior period items are not extra ordinary items merely because they relate to the prior year.

SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Extra-ordinary credits (including subsidies against loss on account of flood, fire cyclone etc.,)	63.200		
	Total credits			
2	Extra-ordinary debits (including subsidies against loss on account of flood, fire cyclone etc.,)	79.800	70,10,843	0
	TOTAL DEBITS		**70,10,843**	**0**
3	**Extra Ordinary items (Net)**		**70,10,843**	**0**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

WORKING OF INTEREST DURING CONSTRUCTION 2016-17		ACS	BNA
Particulars based on		(Rs. in Thousand)	
1. (a) and (b)			
Net Assets shown in Balance Sheet	25,59,69,217		
Asset at Constn. Stage as per schedule 21			
(prior to charging IDC)	6,12,28,736	6,12,28,736	19,47,40,481
2. Reducing of ACS due to excess }	70,03,646	70,03,646	
Liab.over stores & Payment. }			
Lab. for Cap.Supply and Works schedule 28 item 3 **A**	83,57,324		
Current Assets Cap.Stores schedule 26 a item 4 **1**	12,43,172		
Adv. for Cap.Supply schedule 21 item 6 **2**	1,10,507		
B(1+2)	13,53,678		
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	93663		
Loan having int. holiday and other int. free Liab.sch.34	0		
Reserve Funds			
Reserve Fund Sch.35	46,89,955		
Reserves	6,19,80,950		
Int. bearing Cap.liab.Sch.32	13,29,82,422		
Consumer contribution & grants towards cost of	1,48,66,924		
capital assets Equity sch.33	4,13,55,303		
Total	25,59,69,217		
TALLY WITH TOTAL ASSET SIDE	**25,59,69,217**		
Adjustment to ACS &BNA based on para 5	24,89,65,571	5,42,25,090	19,47,40,481
5. a. Deducting borrowing for working capital			
and payment due on Cap.liabilities from BNA	0		0
SUBTOTAL (5-5a) I	24,89,65,571	5,42,25,090	19,47,40,481
5. b. Payments due on Capital Liabilities	0		0
5. c. Int. free Loans, int. holiday Funds}			
spread over ACS & BNA }	0	0	0
SubTotal I-5.c II	24,89,65,571	5,42,25,090	19,47,40,481
5. d. Investment against funds	0	0	0
5. e. Determination of own Funds:			
1 Reserves fund over Investment	46,89,955		
2 Reserves	6,19,80,950		
3 Equity Share Capital	4,13,55,303		
4 Consumer contribution & grants towards cost of capital assets	1,48,66,924		
SUBTOTAL (5e(1+2+3+4)) III	12,28,93,132	2,67,66,316	9,61,26,816
Net Total II-III	12,60,72,439	2,74,58,774	9,86,13,665
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	10,82,31,473	2,34,81,912	8,47,49,561
Balance at the closing of the year	12,60,72,439	2,74,58,774	9,86,13,665
AVERAGE VALUE OF ACS&BNA	11,71,51,956	2,54,70,343	9,16,81,613
8. Interest payable on capital liabilities			
as per schedule 12	1,26,29,391	27,45,792	98,83,598
THEREFORE IDC TO BE CHARGED	**Rs.274,57,92,041**		

TAMIL NADU TRANSMISSION CORPORATION LIMITED

NET PRIOR PERIOD CREDITS/CHARGES				SCHEDULE-18
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	**Income relating to previous year**			
a.	Fuel related gains	65.100		
b.	Receipts from consumers	65.200	46,59,172	13,27,095
c.	Interest Income	65.400	15,913	6,220
d.	Excess provision for I.T.	65.500		0
e.	Excess provision for Depreciation	65.600		807,78,39,857
f.	Excess provn. for Int.& Fin.charges	65.700	1,02,80,392	839,45,70,396
g.	Other excess provision	65.800	3,44,05,231	186,64,64,941
h.	Other income	65.900	14,59,74,564	19,73,52,976
	Total		**19,53,35,272**	**1853,75,61,485**
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		0
e.	Employees cost	83.500	2,78,05,956	5,56,18,740
f.	Depreciation under provided	83.600		0
g.	Interest &Finance charges	83.700	2,47,18,936	1491,27,97,367
h.	Other charges	83.800	28,39,76,592	502,74,44,465
	Total		**33,65,01,484**	**1999,58,60,572**
			0	**0**
3	**Net Prior period charges/credits (A/C Code 83)**		**14,11,66,212**	**145,82,99,087**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

FIXED ASSETS AND PROVISION FOR DEPRECIATION GROSS BLOCK						SCHEDULE-19
Sl. No.	Asset Group	Account Code No.	At the end of previous year 31.3.2016 Rs.	Additions during 2016-17 Rs.	Deductions during 2016-17 Rs.	At the end of the year 31.03.2017 Rs.
1	Land and Land rights	10.100	**74,66,80,77,530**	**2,70,69,682**	**0**	**74,69,51,47,212**
			(29,07,63,83,892)	*(45,59,16,93,638)*	*(0)*	*(7,46,6,80,77,530)*
2	Buildings	10.200	**6,88,91,08,011**	**95,72,52,410**		**7,84,63,60,421**
			(4,32,53,01,329)	*(2,56,38,06,682)*		*(68,891,08,011)*
3	Hydraulic works	10.300	**2,77,78,967**	**0**	**0**	**2,77,78,967**
			(2,27,52,509)	*(50,26,458)*		*(2,77,78,967)*
4	Other civil works	10.400	**4,49,02,20,066**	**6,74,14,91,797**		**11,23,17,11,863**
			(3,47,34,22,860)	*(1,01,67,97,206)*	*(0)*	*(4,49,02,20,066)*
5	Plant & Machinery	10.500	**82,56,39,12,954**	**12,52,60,77,822**	**3,05,90,214**	**95,05,94,00,562**
			(55,47,51,73,548)	*(27,12,07,55,575)*	*(3,20,16,169)*	*(82,56,39,12,954)*
6	Lines & Cables Network	10.600	**1,36,54,19,20,084**	**13,26,80,31,003**	**6,55,982**	**1,49,80,92,95,105**
			(82,91,09,19,358)	*(53,61,92,47,910)*	*(1,17,52,816)*	*(1,36,54,19,20,084)*
7	Vehicles	10.700	**1,98,27,556**	**64,39,575**	**5,00,000**	**2,57,67,131**
			(252,156,486)	*(23,08,12,631)*	*(15,16,299)*	*(1,98,27,556)*
8	Furniture & Fixtures	10.800	**5,32,11,902**	**35,69,392**	**1,09,738**	**5,66,71,556**
			(21,48,48,566)	*(16,11,99,343)*	*(4,37,321)*	*(5,32,11,902)*
9	Office Equipment	10.900	**18,65,95,869**	**1,54,96,990**	**3,05,161**	**20,17,87,698**
			(68,41,75,166)	*(49,53,78,362)*	*(22,00,935)*	*(18,65,95,869)*
	Sub-Total		**3,05,44,06,52,939**	**33,54,54,28,671**	**3,21,61,094**	**3,38,95,39,20,515**
			(1,76,43,51,33,714)	*(1,29,02,99,37,134)*	*(2,44,17,908)*	*(3,05,44,06,52,940)*
10	Capital Expenditure Resulting in an asset not belonging to the Board	11.100	**0**	**-**	**0**	**0**
			(6,31,617)	*(6,31,617)*		*(0)*
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*
			0	-	0	0
	SUB TOTAL		*(6,31,617)*	*(6,31,617)*	*(0)*	*(0)*
	GRAND TOTAL		**3,05,44,06,52,939**	**33,54,54,28,671**	**3,21,61,094**	**3,38,95,39,20,515**
			(1,76,43,57,65,331)	*(1,29,02 93 05,517)*	*(2,44,17,908)*	*(3,05,44,06,52,940)*

Note : Figures shown in brackets relates to previous year.

TAMIL NADU TRANSMISSION CORPORATION LIMITED

FIXED ASSETS AND PROVISION FOR DEPRECIATION DEPRECIATION						SCHEDULE-19
Sl. No.	Asset Group	Account Code No.	At the end of previous year 31.3.2016 Rs.	Additions during 2016-17 Rs.	Deductions during 2016-17 Rs.	At the end of the year 31.03.2017 Rs.
1	Land and Land rights	12.100	**0**	**0**	**0**	**0**
			(0)	*(0)*	*(0)*	*(0)*
2	Buildings	12.200	**66,86,33,729**	**23,28,57,389**		**90,14,91,118**
			(74,43,60,124)	*(24,09,88,922)*	*(31,67,15,317)*	*(66,86,33,729)*
3	Hydraulic works	12.300	**2,02,12,781**	**14,66,728**	**0**	**2,16,79,509**
			(85,18,745)	*(1,47,14,941)*	*(30,20,905)*	*(20,212,781)*
4	Other civil works	12.400	**83,74,11,819**	**15,00,40,196**		**98,74,52,015**
			(31,38,44,102)	*(66,51,56,025)*	*(14,15,88,308)*	*(83,74,11,819)*
5	Plant & Machinery	12.500	**16,00,31,83,213**	**4,36,87,46,554**	**70,86,548**	**20,36,48,43,219**
			(22,99,64,18,936)	*(52,36,56,396)*	*(7,51,68,92,119)*	*(16,00,31,83,213)*
6	Lines & Cables Network	12.600	**19,95,92,87,040**	**7,20,94,29,221**	**2,54,297**	**27,16,84,61,964**
			(24,91,37,33,471)	*(2,73,24,36,868)*	*(7,68,68,83,299)*	*(19,95,92,87,040)*
7	Vehicles	12.700	**1,31,17,700**	**18,83,619**	**4,50,000**	**1,45,51,319**
			(29,08,55,079)	*(23,01,28,998)*	*(4,76,08,381)*	*(1,31,17,700)*
8	Furniture & Fixtures	12.800	**1,82,80,375**	**33,68,312**	**27,924**	**2,16,20,763**
			(16,49,53,195)	*(9,98,29,856)*	*(4,68,42,964)*	*(1,82,80,375)*
9	Office Equipment	12.900	**5,93,84,664**	**1,62,14,363**	**2,32,408**	**7,53,66,619**
			(37,04,00,963)	*(12,93,33,015)*	*(18,16,83,284)*	*(5,93,84,664)*
	Sub-Total		***37,57,95,11,321***	**11,98,40,06,382**	**80,51,177**	**49,55,54,66,526**
			(49,80,30,84,615)	*(3,71,76,61,282)*	*(15,94,12,34,577)*	*(37,57,95,11,321)*
10	Capital Expenditure Resulting in an asset not belonging to the Board	13.100	*0*	-	*0*	*0*
			(5,91,225)	*(5,53,328)*	*(37,897)*	*(0)*
11	Spare units	13.200	*0*		*0*	*0*
			(1,08,947)	*(0)*	*(1,08,947)*	*(0)*
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*
	SUB_TOTAL		**0**	**-**	**0**	**0**
			(7,00,172)	*(5,53,328)*	*(1,46,844)*	*(0)*
	GRAND TOTAL		**37,57,95,11,321**	**11,98,40,06,382**	**80,51,177**	**49,55,54,66,526**
			(49,80,37,84,787)	*(3,71,71,07,954)*	*(15,94,13,81,421)*	*(37,57,95,11,321)*

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 31.03.2017 Rs.	At the end of the year 31.03.2016 Rs.
1	Land and Land rights	10.100	**74,69,51,47,212**	**74,66,80,77,530**
			(74,66,80,77,530)	*(29,07,63,83,892)*
2	Buildings	10.200	**6,94,48,69,303**	**6,22,04,74,282**
			(6,22,04,74,282)	*(3,58,09,41,205)*
3	Hydraulic works	10.300	**60,99,458**	**75,66,186**
			(75,66,186)	*(142,33,764)*
4	Other civil works	10.400	**10,24,42,59,848**	**3,65,28,08,247**
			(3,65,28,08,247)	*(31,595,78,758)*
5	Plant & Machinery	10.500	**74,69,45,57,343**	**66,56,07,29,741**
			(66,56,07,29,741)	*(32,47,87,54,612)*
6	Lines & Cables Network	10.600	**1,22,64,08,33,141**	**1,16,58,26,33,044**
			(1,16,58,26,33,044)	*(57,99,71,85,887)*
7	Vehicles	10.700	**1,12,15,812**	**67,09,856**
			(67,09,856)	*(3,86,98,593)*
8	Furniture & Fixtures	10.800	**3,50,50,793**	**3,49,31,527**
			(3,49,31,527)	*(49,895,371)*
9	Office Equipment	10.900	**12,64,21,079**	**12,72,11,205**
			(12,72,11,205)	*(3,13,774,203)*
	Sub-Total		**2,89,39,84,53,989**	**2,67,86,11,41,619**
			(2,67,86,11,41,619)	*(12,66,32,049,099)*
10	Capital Expenditure	11.100		
	Resulting in an asset not		**0**	**0**
	belonging to the Board		*(0)*	*(40,392)*
11	Spare units	11.200	**0**	**-**
			0	-
12	Capital Spares at	11.300	**0**	**0**
	Generating Station		*(0)*	*(0)*
13	Assets taken over from	11.400		
	Licencees pending Final		0	**0**
	Valuation		*(0)*	*(0)*
14	Leased Assets	11.700	**0**	**0**
			(0)	*(0)*
	TOTAL		**2,89,39,84,53,989**	***26786,11,41,618***
			(2,67,86,11,41,618)	*(126,632,089,491)*

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 2016-17 Rs.	Previous year 2015-16 Rs.
1	Capital work in progress	14&18	5890,94,28,887	5504,51,30,228
2	Contract in progress	15.1		
	SUB-TOTAL		**5890,94,28,887**	**5504,51,30,228**
3	Revenue Expenses pending allocation over capital works	15.2	506,50,98,695	626,24,38,625
4	Provision for completed work	15.5	0	0
5	Construction facilities	15.6	0	0
	Assets at construction stage (1 to 5)		**6397,45,27,582**	**6130,75,68,853**
6	Advances for suppliers/Contractors (Capital)	25.100 to 25.900	11,05,06,653	69,52,53,317
	TOTAL		**6408,50,34,235**	**6200,28,22,170**

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 2015-16 Rs.	Deductions during the year 2015-16 Rs.	Sl. No.	Asset Group	Account Code	Balance in the beginning of the year 1.4.2016 Rs.	Additions during 2016-17 Rs.	Deductions during the year 2016-17 Rs.	Balance at the end of the year 31.03.2017 Rs.
11,038	2,15,95,667	2,15,79,546	I.	Written down Value of obsolete scrapped Assets	16.100	27,159	31,41,500	31,41,500	27159
11,038	**2,15,95,667**	**2,15,79,546**		**Total**		**27,159**	**31,41,500**	**31,41,500**	**27159**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

TOTAL CURRENT ASSETS				SCHEDULE-26
SL NO.	Particulars	Schedule No.	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Stocks	26(a)	130,40,54,580	212,70,18,981
2	Receivables against supply of power	26(b)	186,42,42,033	9736,62,14,814
3	Cash and Bank Balances	26(c)	79,60,31,878	45,33,09,576
4	Loans and Advances	26(d)	34,50,47,249	31,62,72,558
5	Sundry Receivables	26(e)	20394,94,69,191	17886,68,38,859
	TOTAL		**20825,88,44,931**	**27912,96,54,788**
6	Inter Unit Balance		-6,45,83,29,272	-3,01,89,40,722
	TOTAL		**20180,05,15,659**	**27611,07,14,066**

STOCKS				SCHEDULE-26(A)
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 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	124,31,71,815	173,63,19,132
5	Stock of Materials at other stores	22.62 & 22. 63	28,67,616	28,67,616
	stores	22.63		
6	Materials at site	22.64 & 22.65		
7	Materials pending Inspection	22.66 & 22.67	5,34,71,589	38,69,90,911
8	Materials in Transit	22.68 & 22.69		
9	Other Materials accounts	22.7	45,43,560	8,41,322
10	Fuel Stock Excess/shortages pending Investigation	21.2		
11	Materials stock Excess/Shortages pending Invgn.	22.8	0	0
	TOTAL		**130,40,54,580**	**212,70,18,981**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

RECEIVABLES AGAINST SUPPLY OF POWER				SCHEDULE-26(B)
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Sundry Debtors for Transmission Charges	23.1	179,01,23,573	9734,64,95,704
2	Sundry debtors for Inter state Transmission Charges	23.6	5,28,16,379	1,05,54,147
3	Sundry debtors for Electricity Tax	23.2		
4	Provision for unbilled Revenue	23.4	2,13,02,081	91,64,963
5	Sundry Debtors for Transmission Charges 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		**186,42,42,033**	**9736,62,14,814**
9	Less: Provision for doubtful dues from consumers	23.9		
	TOTAL		**186,42,42,033**	**9736,62,14,814**

CASH AND BANK BALANCES				SCHEDULE-26(C)
SL NO.	Particulars	Account Code	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Cash on hand/Cheques in hand	24.1	2,05,28,097	4,59,62,002
2	Cash Imprests with staff	24.2	2,00,21,029	47,46,975
3	**Balance with Banks:**			
	Collection Account	24.3	45,92,53,990	6,86,83,251
4	Drawing Account	24.4	17,18,74,795	17,31,03,476
5	Cash in Transit/Cheques in Transit	24.5& 24.6	12,43,53,967	16,08,13,872
	TOTAL		**79,60,31,878**	**45,33,09,576**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

LOANS AND ADVANCES				SCHEDULE-26(D)
SL NO.	Particulars	Account No.	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Advance for O&M Supplies/Works	26.1 to26.7	8,33,187	17,30,415
2	Advance for Fuel Supplies	26.8		
	Sub-Total (1 & 2)		**8,33,187**	**17,30,415**
3	Loans and Advances to Staff	27.1&27.2	34,37,69,029	31,39,70,641
4	Loans and Advances to Licensees	27.3		
5	Advance Income Tax/deduction at source	27.4	4,45,033	5,71,502
6	Central Payment Control Account	27.5		
7	Loans and Advances	27.8		
	Sub-Total (3 to 7)		**34,42,14,062**	**31,45,42,143**
8	Less Provision for doubtful Loans and Advances	27.9		
	TOTAL (1 to 7 (-) 8)		**34,50,47,249**	**31,62,72,558**

SUNDRY RECEIVABLES				SCHEDULE-26(E)
SL NO.	Particulars	Account No.	This year 2016-17 Rs.	Previous year 2015-16 Rs.
1	Sundry Debtors/Trading account	28.100	1,86,86,735	94,96,050
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	5,58,780	7,37,724
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 28.900	20388,71,23,029 4,31,00,647	17775,01,86,942 110,64,18,143
	TOTAL		**20394,94,69,191**	**17886,68,38,859**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

OTHER CURRENT LIABILITIES				SCHEDULE-28
SL NO.	Particulars	Account No.	This year 2016-17 Rs.	Previous year 2015-16 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	835,73,24,085	832,51,95,485
4	Liability for O&M supplies/works	43.1,43.2 & 300	1,98,85,391	2,01,81,947
5	Staff related liabilities and provisions	44.1 to 44.4	101,00,41,829	89,12,18,769
6	Deposits & Retention from Suppliers and Contractors	46.100 & 200	710,06,74,807	530,90,81,833
	(net of Deposits recd.in the form of Investment etc.)	28.930		0
7	Electricity duty and other levies payable to Government	46.300	24,47,798	9,50,090
8	Liability for Expenses	46.400	194,36,19,298	179,13,55,195
9	Amount owing to Licensees	46.600	27515,32,53,402	34242,21,81,977
10	Accrued/unclaimed Amounts relating to Borrowing	46.700	125,74,75,941	112,85,62,239
11	Provision for Income Tax	46.800		0
12	Other Liabilities and provisions	46.9 & 991	34,60,34,048	37,80,92,736
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		**29519,07,56,599**	**36026,68,20,271**
15	Deposits for Electrification/Service connection etc.	47.000	137,82,65,675	126,66,72,540
	TOTAL		**29656,90,22,274**	**36153,34,92,811**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

PAYMENT DUE ON CAPITAL LIABILITIES								SCHEDULE-31
Due at the beginning of the previous year 1.4.2015 Rs.	Becoming due during the previous year 2015-16 Rs.	Payments made during previous year 2015-16 Rs.	Sl. No.	Particulars	Acc-ount code	Due at the beginning of the year 1.4.2016 Rs.	Becoming due during 2016-17 Rs.	Payments made during 2016-17 Rs.	Due at the end of the year 31.03.2017 Rs.
			I.	Principal accrued and due on Capital Liabilities.					
-	240,24,00,000	240,24,00,000	1	TNEB Bonds	51.150	-	92,20,00,000	92,20,00,000	-
166,666,000	71,05,00,000	71,05,00,000	2	LIC	51.101	16,66,66,000	66,60,00,000	83,26,66,000	0
-	409,76,65,427	381,98,87,649	3	REC	51.113	27,77,77,778	634,70,94,753	662,48,72,531	0
-	537,11,84,429	29,25,92,245	4	Power Finance Corpn.	51.116	5,07,85,92,184	65,07,76,698	572,93,68,882	-
-	113,58,81,540	113,58,81,540	5	Tamil Nadu POWERFIN	51.129	-	44,26,66,245	44,26,66,245	0
-			6	Nabard	51.114	-			-
-	183,09,16,313	183,09,16,313	7	Hudco	51.166	0	148,17,00,415	148,17,00,415	0
16,66,66,000	**1554,85,47,709**	**1019,21,77,747**	**Total repayment of Loan (A)**			**552,30,35,962**	**1051,02,38,111**	**1603,32,74,073**	**0**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

PAYMENT DUE ON CAPITAL LIABILITIES								SCHEDULE-31
Due at the beginning of the previous year 1.4.2015 Rs.	Becoming due during the previous year 2015-16 Rs.	Payments made during previous year 2015-16 Rs.	Sl. No.	Particulars	Acc-ount code	Due at the beginning of the year 1.4.2016 Rs.	Becoming due during 2016-17 Rs.	Payments made during 2016-17 Rs.	Due at the end of the year 31.03.2017 Rs.
			II. Interest accrued and due on 51.201 to 51.299						
-	587,04,33,634	587,04,33,634	a)	REC	51.213	-	630,78,60,980	630,70,43,626	8,17,354
-	178,19,09,800	178,19,09,800	b)	TNEB Bonds	51.250	-	149,71,26,525	149,22,81,025	48,45,500
95,197,349	57,51,38,745	58,48,69,424	c)	LIC	51.201	8,54,66,670	48,69,80,159	57,24,46,829	0
-	208,90,93,967	208,06,35,063	d)	PFC	51.216	8,458,904.00	271,92,88,472	272,77,47,376	-
-	2,42,92,613		e)	Loan from GOTN (under JICA & KFW)	51.220	24,292,613.00	-24,292,613		-
-	13,58,43,710	13,58,43,710	f)	TNPFC	51.229	-	5,73,67,927	5,73,67,927	0
-			g)	Nabard	51.214	-	6,18,26,213	6,18,26,213	-
-	201,14,81,006	201,14,81,006	h)	HUDCO	51.266	0	130,49,17,718	130,49,17,718	0
			i)	JICA	51.282		7,55,67,627		7,55,67,627
			j)	KfW	51.285		1,24,32,685		1,24,32,685
9,51,97,349	**1248,81,93,475**	**1246,51,72,637**	**Total payment of Interest (B)**			**11,82,18,187**	**1249,90,75,693**	**1252,36,30,714**	**9,36,63,166**
26,18,63,349	**2803,67,41,184**	**2265,73,50,384**	**Grand Total {A+B}**			**564,12,54,149**	**2300,93,13,804**	**2855,69,04,787**	**9,36,63,166**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

CAPITAL LIABILITIES — SCHEDULE 32

Outstanding at the beginning of the previous year 1.4.2015 Rs.	Amount received during the previous year 2015-16 Rs.	Repayments due during the previous year 2015-16 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 31.03.2016 Rs.	Amount received during 2016-17 Rs.	Repayments due during the year 2016-17 Rs.	Outstanding at the end of the year 31.03.2017 Rs.
1279,12,82,742	1198,83,60,231	692,41,37,373	1	Public Loan TNEB Bonds	8.60%	52.110	1785,55,05,600	0	92,20,00,000	1693,35,05,600
242,30,21,551	386,34,69,449	187,48,38,000	2	Loan from Life Insurance Corpn.	11.15%	52.501	441,16,53,000	0	66,60,00,000	374,56,53,000
4321,43,65,367	1051,07,17,360	409,78,75,734	3	Loan from Rural Elecn.Corpn.	11.25%	53.310	4962,72,06,993	1700,71,71,995	634,70,94,753	6028,72,84,235
2134,05,80,258	489,71,66,453	1038,60,21,312	4	Power Finance Corporation	11.25%	53.710	1585,17,25,399	1242,57,07,404	65,07,76,698	2762,66,56,105
598,31,85,551	320,78,62,369	845,44,75,037	5	Loan Tamil Nadu POWERFIN	10.65%	53.729	73,65,72,883	0	44,26,66,245	29,39,06,638
	45,47,56,000		6	NABARD	10.75%	53.400	45,47,56,000	80,23,93,000	0	125,71,49,000
1760,43,14,979	(20121399425)	(2517084446)	7	Medium Term Loan		53.864	0	0	0	0
128,01,19,381	(1280119381)		8	JICA		53.875	0	1164,62,20,881	0	1164,62,20,881
			9	JICA (FERV)		53.875		35,46,45,945		35,46,45,945
			10	KFW		53.877		132,99,72,000		132,99,72,000
			11	KFW(FERV)		53.877		(58287905)		-58,287,905
246,41,21,582	961,06,37,944	102,73,42,743	12	HUDCO	12.17%	53.720	1104,74,16,783	0	148,17,00,415	956,57,16,368
10710,09,91,411	**2313,14,51,000**	**3024,76,05,753**		**TOTAL**			**9998,48,36,658**	**4350,78,23,320**	**1051,02,38,111**	**13298,24,21,867**

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 7th AGM held during December 2016)	25000,00,00,000
2	Amount borrowed upto the close of the previous year (ie.to the end of 31.03.2016)	9998,48,36,658
3	Borrowings during this year 2016-17	4350,78,23,320
4	Total borrowings upto the end of 2016-17	14349,26,59,978
5	Less: Repayments made during 2016-17	1051,02,38,111
6	**Total Borrowings (Net 4-5)**	13298,24,21,867
	Balance of the borrowings limit to the end 2016-17 (1-6)	11701,75,78,133

FUNDS FROM STATE GOVERNMENT **SCHEDULE-33**

Outstanding at the beginning of the previous 1.4.2016	Amount received during the previous year 2015-16	Repay-ments made during previous year 2015-16	Sl. No.	Parti culars	Interest rate applicable at the end of the year	Acco -unt code	Outstanding at the end of the previous year 31.03.2016	Amount received during the year 2016-17	Repayments due during the year 2016-17	Outstanding at the end of the year 31.03.2017
Rs.	Rs.	Rs.					Rs.	Rs.	Rs.	Rs.
3880,99,32,000	254,53,70,850		1	Equity Share capital		54.500	4135,53,02,850	0		4135,53,02,850
	7825948181		2	Loan from GoTN (JICA/KfW)		54.200	782,59,48,181	(7825948181)		0
	673056618		3	FERV on Loan from GoTN (JICA/KfW)			67,30,56,618	(673056618)		0
3880,99,32,000	1104,43,75,649	-							-	
				Total			**4985,43,07,649**	**(8499004799)**	**0**	**4135,53,02,850**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS COST OF CAPITAL ASSETS							SCHEDULE-34
Balance at the beginning of the previous year 1.4.2016 Rs.	**Received during previous year 2015-16 Rs.**	**Sl. No.**	**Particulars**	**Account Code**	**Balance at the end of the previous year 31.03.2016 Rs.**	**Additions during current year 2016-17 Rs.**	**Total at the end of the year 31.03.2017 Rs.**
80,96,46,338	1072,55,94,421	1	Consumer's Contribution	55.100	1153,52,40,759	5,14,33,357	1158,66,74,116
80,96,46,338	**1072,55,94,421**		**Total Consumer's Contribution**		**1153,52,40,759**	**5,14,33,357**	**1158,66,74,116**
		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
	263,70,00,000	m.	NCEF Grant from MNRE	55.324	263,70,00,000	51,88,00,000	315,58,00,000
		n.	PSDF Grant	55329-999	0	12,44,50,000	12,44,50,000
0	**263,70,00,000**		**Total**		**263,70,00,000**	**64,32,50,000**	**328,02,50,000**
80,96,46,338	**1336,25,94,421**		**GRAND TOTAL**		**1417,22,40,759**	**69,46,83,357**	**1486,69,24,116**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

RESERVE AND RESERVE FUND — SCHEDULE-35

Balance at the beginning of the previous year 1.4.2016 Rs.	Additions 2015-16 Rs.	Deductions 2015-16 Rs.	Sl. No.	Particulars	Account Code	Balance at the end of previous year 31.03.2016 Rs.	Additions 2016-17 Rs.	Deductions 2016-17 Rs.	Balance at the end year 31.03.2017 Rs.
				RESERVES					
-			1	General Reserves	56.100	-			-
-			2	Capital Reserves	56.200	-			-
-			3	Other Reserves	56.600	-			-
87,50,42,834	51,11,21,051	6,07,02,778	4	Res. for Material Cost variance	56.610	132,54,61,107	39,81,21,037	31,03,04,815	141,32,77,329
			5	Foreign Exchange Variance Reserve	56.620		37,66,98,577		37,66,98,577
435,85,88,686	636,87,30,416		6	1% Property Insurance Reserve	56.660	1072,73,19,102	214,58,29,115	0	1287,31,48,217
0			7	Hydro Balancing Fund	56.750	0			0
523,36,31,520	**687,98,51,467**	**6,07,02,778**		**Total Reserves(A)**		**1205,27,80,209**	**292,06,48,729**	**31,03,04,815**	**1466,31,24,123**
				RESERVE FUNDS					
280,68,98,751	63,48,10,113	99,62,29,070	1	TNEB GPF (incl. Int.)	57.120	244,54,79,794	161,92,58,183	119,66,05,861	286,81,32,116
19,90,05,340	16,55,55,596	16,60,09,655	2	Staff Pension Fund	57.140	19,85,51,281	20,11,35,190	20,15,75,547	19,81,10,924
10,88,66,578	(60578475)	88,30,700	3	Special TNEB PF cum Gratuity	57.135	3,94,57,404	0	0	3,94,57,404
13,10,92,785	(71670261)	88,70,394	4	Family Benefit Fund	57.155	5,05,52,130	24524040	1,15,01,166	6,35,75,004
1,00,62,205	(5262258)	37,956	5	HBA Spl. Family Benefit Fund	57.160	47,61,991	2265836	1,57,142	68,70,685
78,52,313	(4785236)	88,815	6	Medical Health Fund	57.165	29,78,262	307188	3,07,188	29,78,262
-	5,400	5,400	7	Anti theft award	57.166	0	0	0	0
38,63,090	(3862490)	600	8	Pensioner's health fund	57.167	0	1230	1,230	0
1,63,64,452	(16364276)	320	9	TNEB Pen.FBF	57.168	-144	840	840	-144
0	0	0	10	Special Reward Vigiliance	57.169	0			0
84,09,09,656	33,39,94,581	6,63,55,268	11	Contributory Pension Scheme	57.170	110,85,48,969	53,35,14,353	13,12,32,402	151,08,30,920
412,49,15,170	**97,18,42,694**	**124,64,28,178**		**Total Reserve Fund (B)**		**385,03,29,687**	**238,10,06,861**	**154,13,81,376**	**468,99,55,172**
935,85,46,690	**785,16,94,161**	**130,71,30,956**		**GRAND TOTAL (A+B)**		**1590,31,09,896**	**530,16,55,590**	**185,16,86,191**	**1935,30,79,295**

TAMIL NADU TRANSMISSION CORPORATION LIMITED

REVALUATION RESERVE			SCHEDULE - 36
Sl. No.	Particulars	This year 2016-17	Previous year 2015-16
		(in Rupees)	
1	Opening Balance as per Final Transfer Scheme notified vide G.O. Ms.49/13.08.2015 Surplus from Revenue Account	47204379151	71635799323
2	Less: Amortisation of Depreciation towards Revaluation Reserve	6072577632	24730338730
3	Add: Adjustment towards opening Balance	80907	298918558
	Balance Reserve carried forward to Net Revenue Appropriation Account	41131882426	47204379151

NET REVENUE APPROPRIATION ACCOUNT (Surplus / Deficit)				SCHEDULE - 37
Sl. No.	Particulars	Account Code	This year 2016-17	Previous year 2015-16
			(in Rupees)	
1	Opening Balance	58.210	11,68,10,83,922	(26,00,30,91,616)
2	Profit/Loss of Current Year		(2,74,93,48,897)	(2,63,39,88,975)
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		**8,93,17,35,025**	**11,68,10,83,922**

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

I. SIGNIFICANT ACCOUNTING POLICY

(1) Basis of preparation (AS -1)

Financial Statements have been prepared under historical cost convention on a going concern and accrual basis, the financial statement have been prepared in compliance with 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) that requires management to make an estimate and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the final statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

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

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

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

The liability to be created on the receipt of materials 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 Board and recognition of the liability for the net amount due on that bill are not inferred till the actual discharge of the net liability.

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

Treatment of Materials Cost Variance :-

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

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

(1) Credit balance shall be credited to a Reserve called "Reserve for Materials Cost Variance".

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

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

(3) Cash Flow:- (AS 3)

Cash Flows are reported using the indirect method, where by profit/(loss) before extraordinary items and tax is adjusted for 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 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 provisions made in the previous years.

(6) Depreciation (AS – 6)

Depreciation on assets are those described below is provided on the straight line method at the rates and in the manner prescribed Regulation 24 Tamil Nadu Electricity Regulatory Commission's (Terms and Conditions of Determination of Tariff) Tariff Regulations 2005 and as amended vide TNERC Notification No.TNERC/TR/5/2-11, DT.13.03.2014.

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

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

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

Sl. No.	Type of Asset	% of Depreciation
1.	**Land**	Infinity
2.	**Buildings**	
	Buildings containing Transmission Installations	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 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.**	5.28
	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
	Metering Equipments	5.28

Sl. No.	Type of Asset	% of Depreciation
	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 2017 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 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 transactions 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, 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, 2017.

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 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.

(18) Applicability of Ind_AS

As per Notification of Ministry of Corporate Affairs dated 16th February 2015, Ind As is applicable to TANTRANSCO. TANTRANSCO is in the process of detailed analysis of financial implications of adopting Ind As. It is proposed to adopt the same in the FY 2017-18.

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).

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 Accounts as on 31.03.2017 after incorporating the Equity as per Final Transfer Scheme is Rs. 41355302850/, whereas the Paid up Share Capital as per RoC records is Rs. 45568715670/-

During 2016-17, there is no Equity Share capital infusion. Hence the above adjustments could not be carried out during 2016-17.

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 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. The impact of the the Final Transfer Scheme has already been incorporated in Annual accounts for the FY 2015-16 and Balance sheet as on 31.3.2016

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 13.08.2015, 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 detailed under:

(Rs. In Crs.)

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 to an extent of Rs. 3080.29 crores upto 2016-17.

5. Capital Liabilities:

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. (Y 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.

The interest and commitment charges upto 31.3.2017 for the JICA Loan is duly provided in the accounts.

KfW Germany Loan

Certain Transmission Schemes of TANTRANSCO have been tied up with financial assistance from KfW, Germany, for a total project cost of Rs. 1593 crores. The total project

cost is met out by way of loan from KfW - 40%, NCEF Grant from Govt. of India – 40% and Equity by TANTRANSCO – 20%. The Govt. of Tamil Nadu has accorded administrative sanction for the total project cost of Rs. 1593 crore vide G.O. (Ms) No. 34 Energy (A1) Department dated 7.5.2015.

The interest and commitment charges upto 31.3.2017 for the KfW Germany Loan is duly provided in the 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 Foreign Exchange Variance Reserve Account to the extent of Rs. 37.68 crores.

The company has taken loans from various Financial Institutions and the outstanding as on 31.03.2017 is Rs. 13298.24 Crs (Rs.9998.48 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 31.3.2017 is Rs. 2193.63 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 31.3.2017 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. (-)645.83 Crores (Rs. -301.89 Crores) is not reconciled.

10. The portion of interest payable on borrowing for the financing of capital asset at construction stage capitalised for the year is Rs.274.58 Crores (Rs.312.63 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 lump sum amount paid by WIND ENERGY promoters towards Operation and Maintenance Charges are received by TANGEDCO and subsequently transferred to TANTRANSCO.

14. TANTRANSCO has charged 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 and the amount charged towards transmission charges works out to Rs.2288.35 crores.

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

FY 2015-16	----	R s. 5,00,000/-(including Out of pocket expenses of Rs.1,50,000/- and excluding applicable taxes)
FY 2016-17	----	Rs.6,00,000/-(including Out of pocket expenses of Rs.1,50,000/- and excluding applicable taxes)

16. 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 1.4.2016 to 31.03.2017 are made by TANGEDCO and provision of one seventh of the total liability towards TANTRANSCO's share for the FY 2016-17 to the tune of Rs. 302.43 Crs. has been made in the accounts.

17. The Capital work in Progress as on 31.03.2017 includes work in progress under taken on behalf of TANGEDCO.

18. TANTRANSCO provided 1% Insurance Reserve on Net Fixed Asset excluding land as on 31.3.2017 at Transmission circles for the FY 2016-17.

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

20. Value of Indigenous and imported stores spares and component consumed.

Sl. No.	Particulars	Amount (Rs. In Crs.)
1.	Indigeneous Materials	**497.58**
2.	Imported Materials	**Nil**

21. Quantitative details of Transmission and Loss of Energy

Sl. No.	Particulars	2016-17	2015-16
1.	Energy injected from Generator/Inter-State (in MU)	97328.58	92526.00
2	Energy fed to EHT/HT consumers and total consumption at SS end of 11/ 22 KV	93362.00	88726.93
3	**Total Transmission Loss**	3966.58	3799.07
4	**% of Loss**	**4.08**	**4.11**

22. 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. . 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.

23. Interest on staff loan is recovered and accounted for as Income in the books of account after the principal sum has been fully recovered from respective employees concerned.

24. 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.

25. 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)
2	Revenue From Transmission of Power & Sundry Debtors for Transmission of Power		1692,25,68,107 (1621,14,80,554)	
3	Director's Remuneration & Amount Payable to TANGEDCO		68,48,702 (1,01,09,678)	
4	Funds received (in the forms of cash, materials etc.) & Amount payable to TANGEDCO		(6726,89,28,575) (10323,42,23,908)	
5	Income Accrued & Amount Receivable from TANGEDCO & TNEB Limited		2507,36,18,591 (4767,43,25,449)	

26. Claims made by SR constituents on erstwhile TNEB

(i) Transmission and wheeling Charges:

Dues payable to Karnataka

TANTRANSCO has to pay an amount of Rs. 9,29,72,150/- as on March 2016 towards transmission and wheeling charges to Karnataka. Since TANTRANSCO has entered into an agreement with M/s. PGCIL for the State owned Inter State Transmission lines, the matter is being handled by M/s. PGCIL and SRPC has stopped the billing with effect from January 2016.

In the above the reconciliation of the accounts has been completed between the two States. The issue has to be finalised by KPTCL.

Dues payable to Andhra Pradesh

Dues payable to Andhra Pradesh towards the transmission & wheeling charges has been adjusted by Andhra Pradesh with the Transformer charges payable by AP to TANTRANSCO up to December 2015.

Since TANTRANSCO has entered into an agreement with M/s. PGCIL for the State owned Inter State Transmission lines, the matter is being handled by M/s. PGCIL and SRPC has stopped the billing with effect from January 2016.

Frequency Linked Penalty/Incentive Scheme between SR constituents:

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

27. The commitment on capital expenditure on contract pending execution as on 31.3.2017 is Rs.2756.81 Crs. (Rs. 5137.52 Crs.)

28. 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

D.SURESHKUMAR
COMPANY SECRETARY
TANTRANSCO

M. MAHESWARI BAI
Director/Finance
TANTRANSCO

S. SHANMUGAM
Managing Director
TANTRANSCO

For B.THIAGARAJAN & CO.
CHARTERED ACCOUNTANTS
FRNo. 004371S

RAM SRINIVASAN
PARTNER
M.No. 220112

Date : 31.10.2017
Place: Chennai

TAMILNADU TRANSMISSION CORPORATION LTD
CASH FLOW STATEMENT

Particulars	(Rupees in lakhs)	
	Period Ended 31.03.2017	**Period Ended 31.03.2016**
I. Cash Flows From Operating Activities		
Net Profit/Loss before tax and Extraordinary items	(27493.49)	(26339.89)
Adjustments For:		
Depreciation	119840.06	37171.08
Interest Income	0.00	
(Profit) / Loss on Sale of Asset		
Interest Paid	131041.96	137934.19
Non-cash Reserve	-34621.53	
Extraordinary items:-		
Loss on account of flood, fire cyclone etc.,	0	
Operating Profit Before Working Capital changes	**188767.00**	**148765.38**
Change in Trade and Other receivables	738299.56	(650849.13)
Change in Inventories	8229.64	21790.70
Change in other Current Liabilities	(649644.71)	1090571.18
Income Taxes Paid		
Net Cash Flow From Operating Activities (A)	**285651.50**	**610278.13**
II. Cash Flow from Investing Activities		
Purchase/sale of Fixed Assets	(356276.41)	(1421837.75)
Deferred Revenue Expenditure	0	
Investment in Shares	0	
Interest Income	0	
Sale of Fixed Assets	241.10	(159169.68)
Net Cash flow from Investing Activities (B)	**(356035.31)**	**(1581007.43)**
III. Cash Flow from Financing Activities		
Changes in Borrowings	189509.89	(80109.84)
Share Capital raised	0.00	110443.76
Reserve Fund	15343.09	1074297.01
Interest Paid	(131041.96)	(137934.19)
Net Cash Flow From Financing Activities (C)	**73811.03**	**966696.74**
Net Increase/(Decrease) in Cash and Cash Equivalents [D = (A+B+C)]	3427.22	(4032.56)
Opening Balance of Cash & Cash Equivalents (E)	4533.10	8565.67
Closing Balance of Cash & Cash Equivalents [F = (D+E)]	**7960.32**	**4533.10**
# the cashflow has been prepared with the during the year transactions from 1st April 2016 to 31st MARCH 2017		

Dr.K. MUTHUPANDIAN
Chief Financial Controller
TANTRANSCO

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S. SHANMUGAM
Managing Director
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D.SURESHKUMAR
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M/s. B.THIAGARAJAN & CO.
CHARTERED ACCOUNTANTS
FRNo. 004371S

RAM SRINIVASAN
PARTNER
M.No. 220112

Date : 31.10.2017
Place : Chennai

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No :	U40109TN2009SGC071948	State Code	18
Balance Sheet Date	31	03	2017
	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 in Rs. Thousands)

Total Liabilities	Total Assets
258715009	**258715009**

Sources of Funds

Paid up Capital	Reserves & Surplus
41355303	69416697
Secured Loans	Unsecured Loans
112396926	20679158.6
Other Funds	
14866924	

Application of Funds

Net Fixed Assets	Investments
289398454	---------
Net Current Assets	Misc. Expenditure
(30683445)	----------

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

Turnover	25780772	Total Expenditure	28530121
Profit/Loss before tax	(2749349)	Profit/loss after tax	(2749349)
Earnings per Share in Rs.	--	Dividend rate %	--------

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

Product Description	Transmission of Power

Dr.K. MUTHUPANDIAN
Chief Financial Controller
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D.SURESHKUMAR
COMPANY SECRETARY
TANTRANSCO

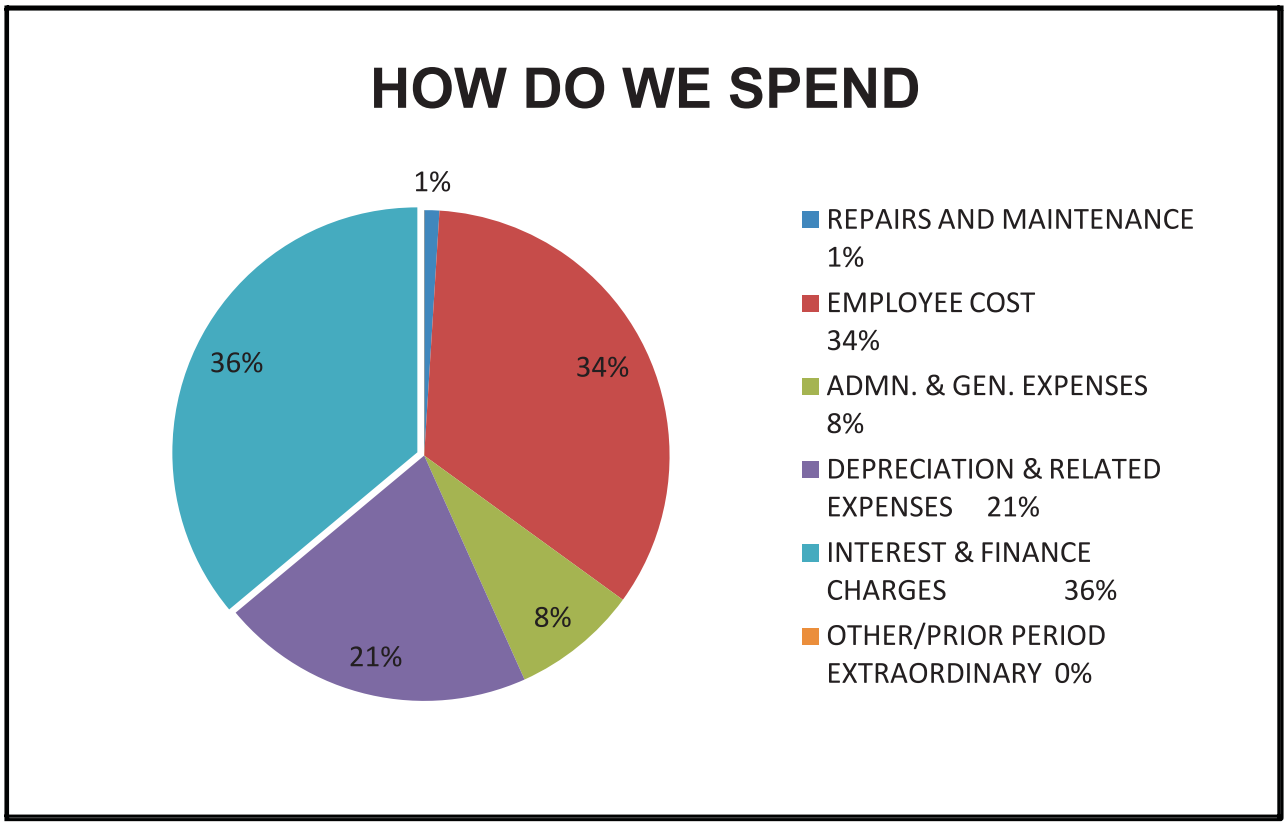
M. MAHESWARI BAI
Director/Finance
TANTRANSCO

S. SHANMUGAM
Managing Director
TANTRANSCO

As per our report of even date
For B.THIAGARAJAN & CO.
CHARTERED ACCOUNTANTS
FRNo. 004371S

Date : 31.10.2017
Place: Chennai

RAM SRINIVASAN
PARTNER
M.No. 220112


HOW DO WE SPEND
1%
34%
8%
21%
36%
REPAIRS AND MAINTENANCE 1%
EMPLOYEE COST 34%
ADMN. & GEN. EXPENSES 8%
DEPRECIATION & RELATED EXPENSES 21%
INTEREST & FINANCE CHARGES 36%
OTHER/PRIOR PERIOD EXTRAORDINARY 0%