




TAMIL NADU GENERATION AND DISTRIBUTION
CORPORATION LIMITED

13th ANNUAL REPORT
2021-22 (Revised)

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

INDEX

Financial Year 2021-22 **(Revised)**

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TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED

144, Anna Salai, Chennai – 600 002

NOTICE

NOTICE is hereby given that the General Meeting of the Company will be held at the Registered office of the Company at NPKRR Maaligai, 144, Anna Salai, Chennai – 600 002 on Saturday the 30th December 2023 at 12 Noon 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 Financials Statements (**Revised**) under **Ind AS**, viz. Balance Sheet as at 31st March 2022 and the Profit and Loss account, Statement of changes in Equity, Cash flow statement, of the TANGEDCO Ltd for the period from 1st April 2021 to 31st March 2022, together with the Director's Report, Statutory Auditor's Report, Secretarial Auditor's Report, and CAG's Report along with Management reply thereon, as presented in 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 FURTHER THAT pursuant to the requirement of sub-section (5) of Section 139 of the Companies Act, 2013, the appointment of Audit firms M/s B. Thiagarajan & Co., M/s. Gopal Rao & Co., M/s Khicha & Prabhu Kesavan, M/s M. Thomas & Co, as Statutory Auditors of the Company by Comptroller and Auditor General of India/New Delhi for audit of revised Annual Report under IND AS for the financial year 2021-22 vide Ir.No./CA.V/COY/TAMILNADU.TNGDCL(5)/2101 dt.20.06.2023 is hereby accepted".

"RESOLVED FURTHER THAT Directors of the Company be and is hereby authorized to fix the fees and other terms and conditions of the Statutory Auditors for the financial year 2021-22 (Revised accounts).

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

"RESOLVED FURTHER THAT the Audit fees towards Revision of accounts of FY 2021-22 the Statutory Auditors fixed at Rs.40,00,000/- (Rupees Forty Lakhs only)

with applicable GST extra and out of pocket expenses may be reimbursed subject to maximum of Rs.2.50 lakhs, (with applicable GST extra), by the Board is approved".

"RESOLVED FURTHER THAT Company Secretary is hereby authorized to file necessary form before ROC."

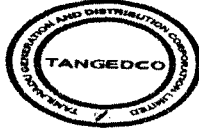
Notes:

1. A member entitled to attend and vote at Annual General 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 shorter notice. All the members are requested to approve the same by signing the Form No.22A 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 Order of the Board of TANGEDCO)

(For and on behalf of TANGEDCO)

**Company Secretary
TANGEDCO**



TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED

13th Annual Report (Revised) for the financial year 2021-22

CORPORATE DATA

BOARD OF DIRECTORS (As on 31.03.2022)		
Sl.No.	Name	Designation
1	Mr. Rajesh Lakhoni, I.A.S.,	Chairman cum Managing Director
2	Mr. M. Sivalingarajan	Director (Distribution)
3	Mr. U B Eleni	Director (Generation)
4	Mr. K. Sundaravadhanam	Director (Finance)
5	Mr. R. Ethiraj	Director (Projects)
6	Mr. S. Shanmugam	Director/Part Time
7	Mr. N. Muruganandan, I.A.S., Additional Chief Secretary to Government (Finance Department)	Director (Ex-Officio)
8	Mr. Ramesh Chand Meena, I.A.S., Additional Chief Secretary to Government (Energy Department)	Director (Ex-Officio)
9	Mr. S. Krishnan, I.A.S., Additional Chief Secretary to Government (Industries Department)	Director (Ex-Officio)

COMPANY SECRETARY		Mr. K. Sundaravadhanam
STATUTORY AUDITORS		
M/S K. GOPAL RAO & CO Chartered Accountants madan@kgrca.in	M/S KITCHA & PRABU KESAVAN Chartered Accountants cbemanivannan@gmail.com	
M/S. M. THOMAS & CO Chartered Accountants cleancheck@mthomasco.com	M/S B. THIAGARAJAN & CO Chartered Accountants btandco@gmail.com	
REGISTERED OFFICE	NPKRR MAALIGAI(TNEB Office), 144, Anna Salai, Chennai 600002. Ph.No-044-28520131. website: www.tangedco.gov.in CIN No.U40109TN2009SGC073746 GST.No.33AADCT4784E1ZC	

REPORT OF THE BOARD OF DIRECTORS

To

Dear Members,

Your Directors are pleased to present the 13th Annual Report on the business and operations of the Company and the Audited Financial Statements for the financial year ended on 31st March, 2022(Revised).

1. Formation of TANGEDCO:

The company Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) 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 Transmission Corporation Limited (TANTRANSCO) is another subsidiary of TNEB Limited. The assets and the liabilities and employees are provisionally transferred to the successor entities vide G.O. (Ms) No.100 Energy (B2) Department, dated 19.10.2010 and the company started functioning independently since 01.11.2010 onwards.

Subsequently, the Government of Tamil Nadu vide G.O.Ms.No.49 Energy (B1) Department, dated 13.08.2015, has issued orders for final transfer of assets and liabilities to successor entities of erstwhile Tamil Nadu Electricity Board as on 01.11.2010. The draft tripartite agreement for Employees transfer has already been submitted to Government and it is under active consideration of the State Government. GoTN has also been addressed for further extension of time period for the final notification of transfer of personnel.

2. Summarized financial results:

The summarized financial results of the company for the financial year ended on 31st March 2022 are given below,

Balance Sheet

(Rs.in crore)

Particulars	2021-22 (Revised)	2020-21 (Restated)
Assets		
Non-Current Assets	1,03,141.12	96,908.37
Current Assets	32,904.94	34,386.63
Total Assets	1,36,046.06	1,31,295.00
Equity and Liabilities		
Equity Share Capital	20,061.17	20,057.87
Other Equity	(1,51,542.23)	(1,38,634.95)
Liabilities		
Non-Current Liabilities	1,51,212.07	1,46,800.19
Current Liabilities	1,16,315.05	1,03,071.89
Total Equity and Liabilities	1,36,046.06	1,31,295.00

Profit & Loss Account		(Rs.in crore)	
Particulars	2021-22 (Revised)	2020 -21 (Restated)	
Revenue from operations	56,994.48	48,920.92	
Other Income	5,804.87	5,313.25	
Total Income	62,799.35	54,234.17	
EXPENSES			
Cost of Power Purchase	39,365.23	38,459.76	
Cost of Power Generation	7,875.54	5,566.37	
Employee Benefit expenses	8,430.40	7,386.69	
Finance Cost	10,923.25	10,892.96	
Depreciation and Amortization Exp.	3,810.18	3,876.92	
Other Expenses	1,525.11	1,117.50	
Total Expenses	71,929.71	67,300.20	
Profit /(Loss) for the period ended 31.03.2022	(9,130.36)	(13,066.03)	
Other comprehensive income:			
Remeasurement of defined benefit plan	(3,865.26)	275.57	
Total other comprehensive income for the year	(3,865.26)	275.57	
Total comprehensive income for the year	(12,995.62)	(12,790.46)	
Earnings per equity share			
Basic	(4.55)	(6.51)	
Diluted	(4.55)	(6.51)	

3.Share Capital

The Authorised share capital of the Company as on 31.03.2022 was Rs.25,000 Crores (2500 Crores Equity Shares of Rs.10 each). The paid up share capital of the Company is Rs. 20,061.17 Crores as on 31.03.2022 which is held by the holding company TNEB LTD, GOTN nominee and directors of your company. During the year 2021-22, share capital from Govt. Of Tamil Nadu is NIL.

4. Share holding Pattern as on 31.03.2022:

(Amount in Rs)

Sl. No.	Name	No. of Shares Held	Book Value (Rs. 10 per Share)
1	TNEB Limited (Holding Company)	20061126573	200611265730
2	Mr. N.Muruganandham, IAS., Principal Secretary to Government (Finance Department)	49940	499400
3	Mr.Rajesh Lakhoni, IAS., Chairman cum Managing Director	10	100
4	Mr.M.Sivalingarajan, Director/Distribution	10	100
5	Mr.U.B.Eleni, Director/Generation	10	100
6	Mrs. R.Ehiraj, Director/Projects.	10	100
7	Mr.K.Sundaravadhanam Director/Finance	10	100
8	Mr. S. Shanmugam, Managing Director/TANTRANSCO	10	100
	Total	20061176573	200611765730

5. Company's Affairs:

(A) Physical Parameters :

(1) Generation Review:

TANGEDCO generates power using 3 basic fuels which can be grouped into Thermal (Coal), Hydel (Water), Gas generation and also uses non-conventional energy source of wind for generation of power.

(i) Thermal Stations:

There are five numbers of coal based Thermal Power Stations owned by TANGEDCO in Tamil Nadu viz. Tuticorin Thermal Power Station, Mettur Thermal Power Station-I, Mettur Thermal Power Station-II, North Chennai Thermal Power Station-I and North Chennai Power Station-II. Out of which, sea water is being utilized for Condenser cooling in the coastal based Thermal Stations such as Tuticorin T.P.S, North Chennai T.P.S-I & II whereas River water is being utilized in Mettur T.P.S-I & II which is the only inland Thermal Power Station of TANGEDCO.

Coal is the primary fuel and the secondary fuels viz., High Speed Diesel (HSD) and Heavy Furnace Oil (HFO) are being used in all these Thermal Stations.

Parameter	TTPS	MTPS-I	NCTPS-I	MTPS-II	NCTPS-II	Total
Installed Capacity (in MW) as on 31.03.2022	1050 (5*210)	840 (4*210)	630 (3*210)	600 (1*600)	1200 (2*600)	4320
Actual Generation (in Million Units)	4962.56	4795.92	3356.50	2763.78	4512.33	20391.106
Plant Load Factor (PLF)	53.95%	65.18%	60.82%	52.58%	42.93%	53.88%

(ii) Gas Stations

There are four Gas Turbine Power stations in TANGEDCO viz., Thirumakottai KGTPS, Kuttalam GTPS, Valuthur GTPS and Basin Bridge GTPS. Except Basin Bridge station, in all other stations, Natural Gas supplied by M/s GAIL is being used. In Basin Bridge station, Naphtha is being used as main fuel and HSD for starting fuel.

Parameter	T(K)GTPS	KGTPS	VGTPS (Phase I & II)	BBGTPS	Total
Installed Capacity (in MW) as on 31.03.2022	107.88	101	I: 95 II: 92.2	120 (4*30MW)	516.08
Actual Generation (in Million Units)- 2021-22	155.45 #	361.90 ##	I:492.46 * II:450.40**	0.0163 ***	1460.22

#T(K)GTPS – The Gas Turbine was operated at part load due to inadequate gas supply. The Steam Turbine Generator (STG) got tripped frequently, due to low quality of water and poor vacuum in condenser.

##KGTPS – The Steam Turbine Generator (STG) was under shutdown from 07.08.2021 due to tripping on stator earth fault. After repair of stator, the STG was put back into service on 9.6.2022.

* VGTPS –I – After completion of major inspection, the Unit was put back into service on 18.7.2021

** VGTPS –II – The Gas Turbine was operated at part at part load due to inadequate gas supply.

*** BBGTPS – As per the instructions of LD centre, the plant is being operated on condenser/generation mode.

(iii) Hydro Stations

There are 76 dams and weirs in TANGEDCO spreading across the western Ghats in Nilgiris and Anaimalai hills and the southern parts of Tamil Nadu. This includes the existing 9 Nos. barrages in the Cauvery Basin. The above dams have been constructed and maintained by TANGEDCO.

As on 31.03.2022, 47 hydro Power Stations having 107 machines with an installed capacity of 2321.9 MW spread over in Erode, Kundah, Kadamparai and Tirunelveli Generation Circles of Hydro wing are operated for generation of Hydro power for TANGEDCO.

Parameter	Erode	Kundah	Kadamparai	Tirunelveli	Total
Installed capacity (in MW)	503.50	833.65	609.45	375.30	2321.90
Actual Generation (in Million Units) 2021-22	1122.79	2126.44	878.72	1386.15	5514.10

(iv) Wind Energy Generators

TANGEDCO had 17.465 MW of Wind Generation capacity on its own account. Due to Aging, wear and tear, 11.265 MW of the Wind Generators are permanently dismantled. Now only 6.2 MW of Wind Generators are in running condition. For repowering of these old WEG's. The DPR was being prepared by NIWE for Hybrid (Wind+Solar).

(2) Distribution Review:

The physical achievements in respect of Distribution Operators during the financial year ended on 31st March, 2022 are as follows;

1. Consumers served as on 31.03.2022 is 324.44 Lakhs.(LT Consumers) and 10,417 Nos. HT Consumers.
2. The total number of HT service effected during the financial year 21-22 is 561 Nos and the LT service effected during the financial year is 9.91 lakhs.
3. Length of lines of EHT 0.365 Lakh circuit kilometers & HT 1.88 Lakh kilometers and LT Lines 6.17 Lakh kilometers.
4. Distribution transformers installed 3,73,162 nos.
5. Capacity of Distribution Transformers installed 47,545 MVA
6. Total number of Substation as on 31.03.2022 is 1,836 nos excluding PGCIL Substations.

TANTRANSCO Network - 1,063 Nos

PGCIL Network (CTU) - 16 Nos

TANGEDCO Network - 773 Nos

7. Solar Panels installed 2153 Kw in office rooftop.

(3) Projects Review:

There are various ongoing and upcoming projects at state, central sectors and at joint venture for augmentation of capacity of power generation in Tamil Nadu.

(i) Ongoing Projects:

Sl. No	Name of the Project	Sector	Capacity (in MW)	Project Awarded Details (Rs. in Crores)	Expected date of commissioning
1	NCTPS Stage – III	State	1x 800	BTG M/s. BHEL Rs.2942.43 Crores BOP M/s.BGRESL Rs. 2759.89 Crores FGD M/s. BHEL Rs. 615 Crores	Physical Progress: 89.95% Financial Progress: 83.96% This Project is expected to be commissioned in March 2023.
2	Ennore SEZ Thermal Power Project	State	2x 660	M/s.BHEL Rs.7814 Crores	Physical Progress: 55% Financial Progress: 61% This Project is expected to be commissioned in May 2024.
3	ETPS Expansion Project	State	1x 660	M/s.BGRESL Rs. 4442.75 Crores	i. M/s BGRESL has submitted an undertaking for import clearances, an amendment letter for reinstatement of LOI as per Board proceedings is issued on 09.03.2022. ii. M/s.BGRESL has submitted BG for Security Deposit and Contract Performance Guarantee belatedly to TANGEDCO. The delayed submission of Bank Guarantee for the SDCPG is accepted by Board of TANGEDCO. iii. M/s.BGRESL has taken over the project site from "as is where is basis condition" on 23.06.2022.

Sl. No	Name of the Project	Sector	Capacity (in MW)	Project Awarded Details (Rs. in Crores)	Expected date of commissioning
					iv. Contracts for Engineering Consultant for the project and for installation of FGD&SCR are finalized. LOI issued on 30/07/2022 to M/s.DCPL, Kolkatta. Kick off meeting held on 23/08/2022.
4	Uppur Thermal Power Project	State	2x 800	BTG M/s.BHEL Rs. 5852 Crores BOP short closed SWIS M/s. L&T Rs. 1067.66 Crores	TANGEDCO Board in its 102nd meeting held on 29.10.2021 has directed to obtain opinion from the Consultant M/s. Ernst & Young regarding the viability and feasibility of this project. Consultant has furnished the report on 07.01.22 and recommended "To develop the Project at Uppur site itself. The final report was placed before the TANGEDCO Board in its 105th meeting held on 19.01.2022 and the Board directed to place the subject in the next Board meeting for deliberations. The recommendation of Strategic Consultant (M/s.E&Y) was again placed before the TANGEDCO Board meeting held on 19.03.2022 and Board directed to restudy the viability and feasibility Uppur Project in broader perspective by the Strategic Consultant M/s Ernst & Young.

Sl. No	Name of the Project	Sector	Capacity (in MW)	Project Awarded Details (Rs. in Crores)	Expected date of commissioning
5	Udangudi Thermal Power Project I	State	2x 660	EPC M/s. BHEL Rs. 7849 Crores Coal Jetty M/s. ITD Cementation Rs. 1902 Crores	Physical Progress: 63.3% Financial Progress: 51.46% This Project is expected to be commissioned in June 2024.
6	Kundah Pumped Stage Storage Hydro electric Project	State	4x 125	Civil Patel Engg. E&M Megha Engg Rs.2444.48 Crores	Physical Progress: 35% Financial Progress: 24% This Project is expected to be commissioned in March 2024
7.	Kollimalai HEP	State	1 x 20	K.Rajagopalan & Co Rs. 307.19 Crores	Physical Progress: 45.3% Financial Progress: 43.8% This Project is expected to be commissioned in December 2023
8.	VOC Port – Additional rails to coal jetty work.	State	---	M/s. CREW Rs. 325 Crores	Physical Progress: 84.61% Financial Progress: 68.45% This Project is expected to be commissioned in November 2022

(ii). New Projects:

Sl. No.	Name of the Project	Sector	Capacity (in MW)	Expected date of commissioning
1	Ennore Replacement Thermal Power Project	State	1 x 660	<p>A proposal for setting up of a gas turbine power station instead of the above coal fired thermal power station has been put up by GTS wing/TANGEDCO and a consultancy contract has been awarded for studying the feasibility to set up a gas turbine power station in the above site. On receipt of the feasibility study report, MoEF&CC will be approached for applying EC.</p> <p>Since the common facilities like coal handling system, Sea water intake system & Ash handling system are planned with ETPS Expansion Project, a decision on this ETPS replacement project has to be taken.</p>
2	Udangudi Thermal Power Project II	State	2x 660	<p>GoTN accorded approval for the establishment of Stage II & III of each 2X660 MW. Subsequently GoTN vide GO (Ms) 11 dt 23.02.22 accorded Administrative sanction for acquisition of 1500 Acres of land.</p> <p>The preliminary activities are under process to get Terms of reference from MOEF.</p>
3	Udangudi Thermal Power Project III	State	2x 660	
4	Sillahalla Pumped Storage Hydro Electric Project Stage I (4x250 MW)	State	Stage -I 1000	<p><u>Sillahalla Stage I: 1000MW:</u></p> <ul style="list-style-type: none"> Obtaining Pre- DPR clearances from 7 Directorates of CEA/CWC are being pursued. EIA study is under progress. The DPR is under preparation. Tender for Consultancy services towards preparation of EPCC tender documents & funding modality floated on 05.08.2022. <p><u>Sillahalla Stage-II: 1000MW:</u></p> <p>Pre-feasibility report prepared. Action is being taken for fixing Consultant for the preparation of FR, DPR and all statutory clearances.</p>
	Sillahalla Pumped Storage Hydro Electric Project Stage II (4x250 MW)		Stage II 1000	

Sl. No.	Name of the Project	Sector	Capacity (in MW)	Expected date of commissioning
5.	Kadaladi Ultra Mega Solar photovoltaic park Power Project	State	500	<p>Instead of Kadaladi 4000MW Thermal Plant TANGEDCO has proposed Kadaladi Ultra Mega Solar Photo Voltaic Power Park Project 500 MW in the above proposed area and preliminary works were completed.</p> <p>Two Writ petitions have been filed by the land owners at Madurai Bench of the Madras High Court Challenging that livelihood of the land owners are affected by acquisition of Patta lands for establishment of this Project also the District Collector/Ramanathapuram has opined that already there are some existing projects in the area which are close to seashore, where fishermen may raise some issues, it is better to avoid this location and find some other suitable location.</p> <p>However during the MNRE meeting held at New Delhi on 5.2.2020, the project was declared as cancelled due to slow progress of work.</p> <p>MMNRE directed TANGEDCO to apply for the new project in the prescribed format.</p> <p>TANGEDCO's request on setting up of Kamuthi 600MW solar park is considered by MNRE subject to the condition as SPDS need to be selected in the allotted land before 31st March 2021 and the completion of the project by 31st March 2022. As the land acquisition is not feasible within the time frame, this proposal is under consideration of cancellation.</p>

Sl. No.	Name of the Project	Sector	Capacity (in MW)	Expected date of commissioning
6	Kadaladi Thermal Power Project	State	5x800	MOEF/New Delhi in its Expert Appraisal committee meeting held on 30.08.2016 has stated that the proposal seeking TOR for the project may be resubmitted proposing alternate sites as all the now proposed sites are falling in the buffer zone of Gulf of Mannar Biosphere reserve. TANGEDCO has dropped the project.
7	Cheyyur Ultra Mega Power Project (5x800 MW) – TN share 1600MW	State	5x800	<p>As most of the utilities have opted out the project, it has been proposed for closure by PFCCL with MOP. Recommendation of TANGEDCO on closure of project communicated to GOTN on 21.3.2020. Further, Board of TANGEDCO in its 96th meeting held on 29.09.2020 has accorded in principal approval to purchase shares of SPV and get the order of GoTN." The same has been communicated by TANGEDCO to GOTN in letter dt 07.11.2020 seeking approval of GOTN." In this connection TANGEDCO addressed PFC and MoP vide letter dt.07.04.2021 and 08.04.2021 respectively and requested to arrange for handing over of the acquired land to TANGEDCO.</p> <p>In this regard, it is stated that concern Secretaries meeting held on 17.11.2021 at GOTN, it has been decided for closure of Cheyyur UMPP and TANGEDCO will take over the land from PFC then transfer to SIPCOT dept for creation of land bank and also analyzes the formation of solar power park in a portion of land by TANGEDCO.</p> <p>Payment of Rs.104,66,46,446/- to M/s. CTNPL towards taking over of the 693 acres of land acquired and TANGEDCO's share on additional administrative expenditure upto 31.03.2022 is under process.</p>

Sl. No.	Name of the Project	Sector	Capacity (in MW)	Expected date of commissioning
8	Kodayar Pumped storage HEP (500MW)	State	500	<p>The work of consultancy services towards 'preparation of feasibility report and obtaining TOR from MoEF&CC' has been awarded to M/s TRACTEBEL ENGINEERING Ltd., Gurugram on 21.12.2021.</p> <p>Draft feasibility report has been submitted by the Consultant and comments of TANGEDCO sent on 06.07.2022. Final report is awaited.</p> <p>The above works are to be completed by August 2022.</p>
9	Manalar Pumped storage HEP (500MW)	State	500	<p>The work of consultancy services towards 'preparation of feasibility report and obtaining TOR from MoEF&CC' has been awarded to M/s TRACTEBEL ENGINEERING Ltd., Gurugram on 21.12.2021.</p> <p>Draft feasibility report has been submitted by the Consultant and comments of TANGEDCO sent on 05.07.2022. Final report is awaited.</p> <p>The above works are to be completed by August 2022.</p>
10	<p>11 Nos. Pumped Storage Hydro Electric Projects at various districts based on feasibility.</p> <p>i. Upper Bhavani PSHEP (1,000 MW)/ Nilgiris District.</p> <p>ii. Vellimalai PSHEP (500 MW) in Kanyakumari District</p> <p>iii. Aliyar PSHEP (1,000 MW) in Coimbatore District</p> <p>iv. Sandy Nalla PSHEP (1,000 MW)</p>	State	7500	<p>Pre-feasibility Reports for the 11 Nos projects have been completed.</p> <p>The capacity of these projects as per the PFR are as follows.</p> <p>i) Upper Bhavani PSHEP (1,000 MW)</p> <p>ii) Sandy Nalla PSHEP (1,200 MW)</p> <p>iii) Sigur PSHEP (800 MW)</p> <p>iv) Vellimalai PSHEP (1100 MW) in Kanyakumari District.</p>

Sl. No.	Name of the Project	Sector	Capacity (in MW)	Expected date of commissioning
	<p>In Nilgiris District.</p> <p>i. Mettur PSHEP (500 MW) in Salem District.</p> <p>ii. Palar–Poranthalar PSHEP (1,000 MW) in Dindigul District.</p> <p>iii. Karaiyar PSHEP (500 MW) in Tirunelveli District</p> <p>iv. Manjalar PSHEP (500 MW) in Theni District</p> <p>v. Chattar PSHEP (500 MW) in Kanyakumari District</p> <p>vi. Sigur PSHEP (500 MW) in Nilgiris District</p> <p>xi. Athur PSHEP (500 MW) in Dindigul District</p>			<p>v) Karaiyar PSHEP (1000 MW) in Tirunelveli District</p> <p>vi) Chattar PSHEP (1100 MW) in Kanyakumari District</p> <p>vii) Aliyar PSHEP (700MW) / Coimbatore District</p> <p>viii) Palar - Porathalar PSHEP (1100MW) / Dindigul District</p> <p>ix) Athur PSHEP (300MW)/ Dindigul District</p> <p>x) Manjalar PSHEP (500MW)/ Theni District</p> <p>xi) Mettur PSHEP (1000MW)/ Salem District</p> <p>Administrative approval and preparation of specification for fixing consultant towards preparation of Feasibility Report, DPR and obtaining all clearances is under progress.</p>
11.	Dust screen system in North Chennai Thermal Power Project Stage – III.	State	1 x 800	Work awarded on 13/04/2022. Expected Date of completion is 9 months.(ie) 01/2023.

iii) Co-Gen Projects:

TANGEDCO is also establishing co-generating projects in 12 co-operative and public sector sugar mills at a cost of Rs.1241.15 Crores for a total capacity of 183 MW. The detail of Project and the date of synchronised with grid are as follows:

Sl. No	Name of the Projects	Date of commissioning
1	Chengalvarayan Sugar Mills, Villupuram District	17.02.2016
2	Vellore Co-Gen Project, Vellore District	19.01.2017
3	Cheyar Co-Gen Plant, Thiruvannamalai District	31.10.2017
4	Arignar Anna, Tanjore District	04.09.2018
5	Perambalur, Perambalur District	18.02.2019
6	Dharmapuri Co-Gen Plant, Dharmapuri District	13.11.2021

(B) Information on Business:

- **Change in the nature of business, if any:**

During the Financial year 2021-22, there is no change in the nature of business of the Company.

- **Material changes and commitments:**

There is no such material change and commitment affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

- **Significant and material orders passed by the Regulators or courts or tribunals:**

During the financial year 2021-22, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

(c) Human Resources Development:

The company is a Government Company having its own service rules and regulations, which, inter-alia, regulates the recruitments and promotions. System of Annual Performance Appraisal Report (PAR) exists for appraisal of the performance of employees of the Company including Senior Management. Departmental Promotional Committees (DPCs) exists for considering promotion at every level of organisation. Employees are also given opportunity for obtaining transfers to their willing office under Request Transfer Scheme. Employees are also transferred on rotational basis for the purpose of Enrichment of knowledge and work expertise.

i. Recruitment:

Direct Recruitment – Present Status

S. No.	Description	Posts	Commencement of online applications	Status
1	Assistant Engineer/ Electrical	400	Notification No.02/2020 dated 08.01.2020 was issued. Opened from 24.01.2020 to 24.02.2020.	<p>The Government of Tamil Nadu have enacted the Tamil Nadu Public Service Commission (Additional Functions) Act, 2022 (Tamil Nadu Act No.14 of 22) with the assent of the Governor of Tamil Nadu on 31.01.2022 and by virtue of G.O. (Ms) No.30, HRM (M), dated 17.03.2022 notified in Part II- Section 2 of the Gazette of Tamil Nadu, the said Tamil Nadu Act No.14 of 22 came into force from 17.03.2022. Section 3 of the said Act provides that "Notwithstanding anything contained in any State law for the time being in force, any organization may request the Commission, in such form as may be prescribed, to recruit candidates for appointment to posts in that organization". Section 2 (c) provides that "organization" means a State owned Public Sector Undertaking, State Corporation, or a statutory Board or Authority under the control of the Government. As per the above Act, the notifications issued for recruiting 600 posts of Assistant Engineer (Electrical/ Mechanical/ Civil), 1300 posts of Assessor, 500 posts of Junior Assistant (Accounts), 2900 posts of Field Assistant (Trainee) and 18 posts of Assistant Accounts Officer has been cancelled by the Board of TANGEDCO on 07.06.2022 and it has approved to refund the fees to the applicants who have applied for the above said posts. Accordingly necessary orders vide (Per.) FB TANGEDCO Proceedings No. 4 (Administrative Branch) Dated 4th July 2022 was issued cancelling the above notifications.</p>
	Assistant Engineer/ Mechanical	125	After amendment, Revised Notification No.4/2020 dt.15.02.2020 was issued. Opened from 15.02.2020 to 16.03.2020.	
	Assistant Engineer/ Civil	75		
2	Assessor	1300	Notification No.1/2020 dt:08.01.2020 Opened from 10.01.2020 to 10.02.2020. Extended from 09.03.2020 to 23.03.2020.	
3	Junior Assistant/ Accounts	500	Notification No.3/2020 dt:08.01.2020 Opened from 10.02.2020 to 09.03.2020. Extended from 09.03.2020 to 23.03.2020.	
4	Field Assistant (Trainee)	2900	Notification No.5/2020. dt:19.03.2020 Opened from 15.02.2021 to 16.03.2021.	
5	Assistant Accounts Officer	18	Notification No.01/2021. dt:15.02.2021 Opened from 15.02.2021 to	

			16.03.2021.	
S. No.	Description	Posts	Commencement of online applications	Status
6.	Gangman (Trainee)	10000	Notification No.01/2019 dt:07.03.2019 Opened from 24.04.2019 to 17.06.2019	The selection process was completed. The list of selected (9613) candidates was published in the TANGEDCO website on 22.02.2021 and the selection orders were issued to them.

ii. Training:

Human Resource Development wing is imparting training to various level of Engineers / Officers (Class-I & II) through the 4 Training Institutes namely;

- Staff Training College/Chennai.
- Transmission & Distribution Training and Development Institute & Research Centre/ Madurai.
- Thermal Training Institute & Research Centre/North Chennai and
- Hydro Training Institute & Research Centre/Kuthiraikalmedu.

The training is also imparted to all Staff (Class III & IV) through the 10 Technical Training & Development Centres located at different parts of the state. Also a Cable Jointing Training & Development Centre, Chennai is providing hands on practical training on Cable Jointing & End termination to the Engineers/Staff.

The details of training provided to the employees during the Year 2021-22 and the cost are furnished below.

Total Number Of Training Programme	Total Number of Employees attended	Total Training Cost in Rs.
696	21,758	Rs.1,01,37,016

iii. Policy against workplace harassment:

There has been no case of sexual harassment complaints received by the company during the financial year 2021-22.

The following members of the Board Officers of the Company as members of Sexual Harassment of Women at Workplace Committee:

1. Tmt. Umadevi, Chief Engineer/Project- II/TANGEDCO
2. Tmt.A.N.N. Amutha, Sr. Personnel Officer/Labour & Admn./TANGEDCO
3. Thiru.S.Dilliraj, Deputy Secretary/Personal/TANGEDCO
4. Thiru.M. Punniyamurthi, Dy. Chief Internal Audit Officer/Estt/Head quarters.

iv. Sports activity:

1. TANGEDCO Cricket team has participated in TNCA E Zone league matches during the year 2020-2021 and the cost for playing kits & shoes for TANGEDCO Sports Committee is Rs.1.66 lakhs.
2. Purchase of materials Rs.1.07 lakhs for TANGEDCO Cricket Team for participation in the TNCA V Division E Zone League Championship at Chennai and in other Tournaments for the year 2021-2022.
3. TANGEDCO Sports Committee Indoor games club day to day expenses is Rs.10,000/-

(E) Right to Information:

In order to promote transparency and accountability, an appropriate mechanism has been set up across your company in line with "Right to Information Act, 2005". Your company has nominated Public Information Officer/Assistant Public Information Officer / Appellate Authorities at its corporate and circle offices, to provide information to the Citizens under the provisions of Act.

6. Details in respect of adequacy of internal financial control with reference to the financial statements:

The Company has internal control system, commensurate with the nature of its business and the size of the Company. Effective steps are being taken to appoint qualified internal auditors, in order to further strengthen the efficiency of the operational and financial functions of the organisation. Open Tender will be floated to engage professional firms to cover all the circles under internal audit, duly specifying the scope of work.

7. Details of Subsidiaries/Joint ventures /Associates Companies:

Udangudi Power Corporation limited (U.P.C.L) is a Joint venture company formed between TNEB & BHEL. But BHEL has withdrawn the joint venture for want of long term coal linkage on 26.03.2013 and TANGEDCO has purchased the shares of BHEL at the negotiated price of Rs.64.00 Crores. The process of amalgamation of UPCL with TANGEDCO is under process.

The Joint ventures of the Company and shareholding pattern as on 31st March, 2022 are tabulated below;

Sl.No.	Name of the Company	Shareholding patten
1	NTPC Tamilnadu Energy Company Limited (NTECL)	50%
2	NLC Tamilnadu Power Limited (NTPL)	11%
3	Mandakani B Coal Coporation Limited	25%
4	Maha Tamil Collieries Limited	74%

8.Public Deposits:

During the financial year 2021-22, the Company has not accepted any type of deposits from Public.

9.Schemes:

a. UjwalDiscom Assurance Yojana (UDAY):

Tripartite Agreement was signed amongst Ministry of Power/Govt. Of India, Government of Tamilnadu and TANGEDCO on 09.01.2017 for effective implementation of UDAY scheme in Tamilnadu.

The main objective of UDAY scheme is to reduce the AT&C loss to 13.5 % and ACS-ARR Gap to zero in the year 2018-19. The target and achievement of AT&C loss is given below:

Year	15-16 (Base Year)	16-17	17-18	18-19
TARGET	14.58%	14.06%	13.79%	13.50%
ACHIEVED	14.58% (Audited)	15.39% (Audited)	15.96% (Audited)	15.08% (Audited)

The AT&C loss target under UDAY scheme was not achieved during the period till 2018-19. However, the AT&C loss of TANGEDCO for the year 2019-20 is 12.39% (with wheeling) and for the year 2020-21 is 12.09% (with wheeling). However, during FY 2021-22, the AT&C loss is 11.91%.

b. Coastal Disaster Risk Reduction Project(CDRRP):

Under this scheme, TANGEDCO has proposed to convert HT and LT overhead lines into HT and LT underground cables in cyclone prone coastal towns of Cuddalore and Velankanni in Nagapattinam District under three packages (2 packages in Cuddalore and 1 package in Velankanni). The administrative sanction has been accorded for **Rs.360 crore** (66.30 US\$M) and the revised administrative sanction of **Rs.406.83 crore** has been accorded for this project with the funding assistance from World Bank.

Erection, Testing and commissioning works for six nos. UG cabling feeders have been completed for two packages (Package – 3 – Cuddalore town & Package-7-Velankanni town) except LT dismantling works which are under progress. Erection, Testing, commissioning and dismantling works are under progress in two feeders for one package (Package-2 – Cuddalore town). GoTN have released funds for an amount of **Rs.390.61 crore** to TANGEDCO account so far and the expenditure incurred as on 31.03.2022 is **Rs.281.72 crore**.

c. Integrated Power Development Scheme (IPDS):

The Government of India has launched the Integrated Power Development Scheme (IPDS) for with a population of more than 5,000 with the objectives of 24x7 power for aUrban area II, AT & C losses reduction and Electrification of all urban household in 521 Towns in 37 circles at a project cost of Rs 1,704.34 Cr. for TANGEDCO.

The scheme works in all 37 circles have been completed as on 31.12.2020. The financial closure for all 37 circles for an amount of Rs.1598.59 Cr. (inclusive of PMA Grant) was submitted to M/s. PFC on 23.03.22 and the same has been approved by MoP/GoI. The Final tranche of grant has also been released.

d. DheendayalUpadhyaya Gram JyothiYojana (DDUGJY):

DeendayalUpadyaya Gram JyothiYojana Scheme was proposed by Ministry of Power, Government of India for development of Electrical Infrastructure in rural areas.

The total project cost sanctioned for DDUGJY was Rs.924.12 Crores (60% grant & 40 % loan).

Physical progress :

100% of the DDUGJY works in 27 districts has been completed on 31.12.2020, as detailed below:

1. 106 Nos. New Sub-Stations and 128 Nos. Augmentation of Sub-Stations were commissioned with erection of 1514 KM of HT line and 1345 KM of LT line.
2. 29 Nos. Agriculture Feeder Segregation were completed with erection of 669 KM HT line, 242 KM of LT line and 895 Nos. DTs.
3. 1195856 consumer meters - 1044121 Nos. Single phase meters and 151735 Nos. Three phase meters have been replaced with Static meters.
4. 897 Nos. BPL households & 6697 Nos. APL households were electrified with an erection of 294 Nos. DTs and 201 KM of HT line.

Financial progress :

Funding Mechanism	Eligible fundRs. in Cr	Fund released Rs. in Cr
Grant of GoI (60%) including PMA	556.31	556.22
TANGEDCO Contribution	91.95	
Utility's Own fund contribution		175.80
Received 10% as Loan from M/s REC		91.95
Amount as Loan from M/s REC (30%)	275.85	219.51
Total	924.12	1043.48

The financial closure for 27 districts has been submitted by 01.10.2021 and approved by MoP. The final tranche of Rs.100.086 Cr has been received from REC on 09.02.2022.

10.Consumer friendly Measures:

A. Existing IT initiatives :

- i. Online Portal for Service Connection Launched in 2016 and Mandatory from March 2020
- ii. **Online Payment Portal**
 1. Online payment portal since 2008
 2. Payment through Mobile App commenced from September 2017
 3. Payment through BBPS commenced from February 2018
 4. During November 2020 payments using UPI has also been enabled.
 5. 'Quick Pay' facility has been launched in July 2020 for consumers to pay without registration. They can pay using their service connection number alone.
- iii. **Newly launched during 21-22**
 1. All Bank Netbanking Facility from November 2021.
 2. Online Tariff Change –Launched on 10.06.2022
 3. Automatic refund for cancelled applications-Launched on 10.08.2022
 4. Online portal for Agriculture Application- Launched on 17.11.2021.
 5. eNach payment facility for State Government services.
 6. Unified solar roof top portal(USRP)-Launched on 27.10.2021
 7. Mis-use of Electricity-Complaints registration through online-Launched on 01.08.2022

iv. Consumer Grievance Redressal Portal

1. The Consumer Grievance Redressal Forum (CGRF) consists of Superintending Engineer/Electricity Distribution Circle as Chairperson and two members nominated by the Collector of the District where the forum is located.
2. Every grievance to the forum can be submitted to the concerned SE office in two ways either Manually or through Online.
3. The grievance to the forum may also be registered online through this portal and the online acknowledgment for registration will be received immediately by the complainant and its printout can be taken. The status of the petition whether accepted or rejected by the concerned (CGRF) can be checked by the consumer through online.

v. SMS facility

1. SMS is being sent to Consumers on Billing information on Completion of Assessment and as a reminder 3 days before due date including smart meters.
2. Facility has been extended to send SMS for consumers acknowledging the Payment received from consumer made at Counter by Cash, DD, Cheque or through Online from 1.10.2021.
3. SMS is being sent to Consumers for NSC application LT & HT, Mobile application services and Customer care services.
4. SMS is sent once service is disconnected for default in Payments
5. SMS sent on dishonor of Cheques by banks.
6. Also, SMS is being sent to consumers about Power shutdown and outages from 26.08.2022 onwards.

vi. E-Governance

1. Facility has been provided for Online application through e-seva centers
2. LT Consumers can also pay at Bank counter, Post offices and through e-several centers.
3. The LT Online portal has been integrated with GoTN Single Window portal under e-governance for Industrial Applicants.

B .Proposed IT Initiatives:

1. Mobile App for Assessors for regular Assessment using Optical Cable and automatic reading from Meter.
2. Single Mobile app for Payment, Complaints.

C. Implementation of ERP in TANGEDCO and TANTRANSCO:

1. SAP ERP has been implemented in TANGEDCO and TANTRANSCO and the ERP system has gone live from 05.05.2021 onwards.
2. The major modules implemented are Procurement, Stores and Inventory, Human Capital Management and Finance and Control.
3. The Balance Sheet for the financial year 2021-2022 in respect of TANGEDCO has been prepared using the Trial balance generated through the SAP-ERP for the first time.

D. BEST PRACTICES IMPLEMENTED IN GEOGRAPHIC INFORMATION SYSTEM (GIS) TECHNOLOGY

- TANGEDCO is the first utility to map all its distribution assets including 3.24 crore consumers in GIS platform.
- Geotagging of Assets & consumers of TANGEDCO 100% completed. The methodology for carrying out delta changes (incremental up dation) is established. TANTRANSCO asset mapping under progress.
- Survey and porting of all the assets is done by dedicated in house GIS team at regions/ circles using customized mobile apps, for which training has been imparted by TANGEDCO's in-house team.
- Provision for addition of new substation, Feeder and Distribution transformer and modification of existing network is given through GIS application.
- Integration with HT/LT New service connection application done, so that new consumer location is indexed and mapped while effecting service.
- GIS based asset information is being used in RDSS implementation for choosing the feeders for augmentation. The HT/LT ratio report and HT/LT album generation is used as base line data for DPR preparation.
- Consumer's defaulter identification and theft happened location showcased in GIS towards revenue augmentation.
- Consumer / Asset location search provided to O&M section officers to locate the Asset / Consumers for day-to-day O&M works.
- GIS based Consumer Indexing enabled for all regions in synchronization with other IT system.
- Affected Geographical area identification during feeder breaker failure of SCADA towns.
- GIS data extensively used for region reformation in TANGEDCO.

T.Nagar Smart Meter Project:

- Smart meters installation at consumer and DT end in T.Nagar ABD area for around 1.0 Lakh has been completed.

➤ The features of smart meters are as follow and the software is being developed:

- Billing automation without any manual assessment.
- Auto Disconnection of SCs for non-payment of CC charges.
- Auto Reconnection of SCs after payment done.
- Provision of Consumer mobile app, consumer web portal for the consumers pertaining to T.Nagar ABD area to view their consumption.
- Provision of officers mobile app under T.Nagar ABD area.
- Net metering / prepaid metering functionality.
- Faster outage detection and rectification, events / alarm notification.

Section Maintenance Work Monitoring :

- Software for entry of daily work carried out at O&M section offices with respect to Maintenance has been implemented.
- Daily reports regarding the work progress are being generated and put up to CMD's desk by SE/REID office.

11. Company Auditors :

The Comptroller & Auditor General of India, (C&AG) New Delhi has appointed M/s Khicha & Prabu Kesavan, Chartered Accounts, Coimbatore. M/s. K. Gopal Rao & Co., Chartered Accountants, Chennai, M/s.B.Thiagarajan & Co., Chartered Accountants/Chennai and M/s. Thomos & Co, Chartered Accounts, Madurai as Joint statutory auditors for the financial year 2021-22, as per section 139(5) of the Companies Act 2013.

In terms of section 204 (1) of the Companies Act 2013, the Board has appointed M/s Ramachandran & Associates, Company Secretaries as Secretarial Auditors for the year 2021-22.

In terms of section 148 of the Companies Act 2013, the Board has appointed M/s. Aruna Prasad & Co, practising Cost Accountant as Cost Auditor for the financial year 2021-22. In terms of section 44AB of the Income tax Act 1961, the Board has appointed M/s.Brahmayya & Company, practising Chartered Accountant as Tax Auditor for the financial year 2021-22.

12. Details of conservation of energy, technology absorption:

a)Conservation of Energy:

Sl. No.	Subject	Action taken
1	Prevention of Energy theft	a) Energy conservation day and week celebrations were conducted in all Electricity Distribution Circles from 14.12.2021 to 20.12.2021.
2	Awareness creation among Public related to Conservation of Energy	<p>b) The GOTN has appointed TANGEDCO as State Nodal Agency (SNA) for creating Public Charging infrastructure across the state for Electric Vehicles (EV) vide G.O. dt 27.05.19. Based on this, EV awareness has been conducted in 11 cities in the State of Tamil Nadu (Chennai, Coimbatore, Trichy, Thanjavur, Erode, Tirupur, Tirunelveli, Tuticorin, Madurai, Salem and Vellore).</p> <p>c) The Tamil Nadu Energy Conservation Building Code (TNECBC) Rules has been submitted to the Government and the Notification (Commercial Buildings) is under progress.</p> <p>d) Model Energy Efficiency Village, Othaiyal and Karenthal are the two electrified Villages for retrofitting of energy efficient appliances in place of existing inefficient ones which is under progress.</p>
3	Unnat Jyothi by Affordable LED's to All (UJALA) Schemes:	TANGEDCO has permitted M/s.Energy Efficiency Services Limited (EESL) to sell Energy Efficient LED bulbs, LED Tube Lights and Ceiling Fans to Domestic Consumers at subsidized rate under UJALA Scheme. In this scheme LED bulbs 37.00421 lakh nos., LED Tube Lights 4.81 lakh nos. and Ceiling Fans 1.34 lakh nos. were sold to domestic consumers so far.

Sl. No.	Subject	Action taken
4	Energy Auditor for Designated Consumers DCs) as well as Non-Designated Consumer (NDCs) is under implementation	<p>Energy Audit is mandatory as per G.S.R.486 (E), dated: 30.06.2008 for Designated Consumers (DCs). At present, there are 89 DCs covered in 6 PAT cycles (i.e., PAT 1 to 6). Further TNSDA has identified 60 Nos. of probable DCs list and submitted to Bureau of Energy Efficiency (BEE) during the financial year 2020-21 for inclusion in future PAT cycle.</p> <p>At present PAT cycle IV & V (15 DCs) has to submit PAT M&V and other relevant forms and documents. TNSDA is continuously following and coordinating with DCs.</p> <p>Conducting of Energy Audit for NDCs is not feasible as per the provisions in the EC Act 2001 and hence the same has been dropped and informed to the Energy Secretary.</p>

13. CSR Commitments Updated in respect of Projects

1. NCTPP – Stage –III Project (1X800 MW)

As per MoEF clearance, a provision of Rs.10 Crores is earmarked in the project administrative approval. Hitherto no disbursement was made, now the District Administration has communicated the sanction of estimates for Rs.4.76 Crores for the CSR activities during FY 2022 -2023, and the proposal for it is placed to the Board's approval to be included in the agenda of ensuing Board meeting.

2. Uppur Super Thermal Power Project (2 X 800 MW)

Hitherto, only Rs.50 Lakhs has been disbursed to the District Administration out of total provision of Rs.36 Crores in May -2020 for the Covid -19 control measures.

3. Udangudi Power Project (1X660MW)

So far Rs.10.8428 crores has been disbursed to the District administration out of total provision of Rs.32.70 Crores.

4. Ennore SEZ STPP (2X660 MW)

The proposal for Rs.15.00 Crores out of total provision of Rs.37 Crores towards the development of infrastructures during FY 2022 -2023 as communicated by the District Administration is placed for Board's approval.

The following members of the Board of Directors of the Company as members of CSR Committee:

1. Joint Managing Director /TANGEDCO
2. Director/Distribution/TANGEDCO
3. Director/Project /TANGEDCO
4. Director/Finance/TANGEDCO

14. Change in the Board of Directors and Managerial Personnel during Financial year 2021-22:

Sl. No.	Name	Designation
1.	a. Mr. Pankaj Kumar Bansal (From 08.06.2020 to 17.05.2021)	Chairman cum Managing Director
	b. Thiru.Rajesh Lakhoni (From 17.05.2021 to Till date)	
2	a.Tmt. M.A. Helen, (From 01.12.2016 to 27.05.2021)	Director (Distribution)
	b. Thiru.M.Senthilvel (From 27.05.2021 to 09.08.2021)	
	c. Thiru.M.Sivalingarajan (From 09.08.2021 to Till date)	
3	a. Thiru.R. Ethiraj (From 24-10-2019 to 27.05.2021)	Director (Generation)
	b. Thiru. S.Shanmugam (FAC) (From 27.05.2021 to 09.08.2021)	
	c.Thiru. U B Eleni (09.08.2021 to 31.07.2022)	
4	Thiru.K. Sundaravadhanam (From 24.09.2018 to Till date)	Director (Finance)

Sl. No.	Name	Designation
5	Thiru.A. Ashokkumar, (From 25.10.2019 to 27-05-2021)	Director(Projects)
6	Thiru. R. Ehiraj, (From 27-05-2021 to 31.07.2022)	Director(Projects) Part time Director /TG
7	Thiru. S. Shanmugam, (From 01.03.2016 to 31.05.2022)	
8	a. Thiru. S. Krishnan, I.A.S., Additional Chief Secretary to Govt., (Finance Department) (From 01.07.2019 to 06.11.2021)	Director (Ex-Officio)
	b. Thiru.N. Muruganandan, I.A.S., Additional Chief Secretary to Govt., (Finance Department) (From 06.11.2021 to Till date)	Director (Ex-Officio) Director (Ex-Officio)
9	a. Mr. S.K. Prabakar, I.A.S., Principal Secretary to Govt. (Energy Depart.) (From 08.06.2020 to 26.05.2021)	
	b. Thiru.Dharmendra Pratap Yadav, I.A.S Principal Secretary to Govt. (Energy Depart.) (From 26.05.2021 to 06.11.2021)	Director (Ex-Officio) Director (Ex-Officio)
	c. Thiru.Ramesh Chand Meena, I.A.S Additional Chief Secretary to Govt. (Energy Depart.) (From 06.11.2021 to Till date)	
10	a. N. Muruganandan, I.A.S., Additional Chief Secretary to Govt. (Industries Depart.) (From 25.02.2019 to 06.11.2021)	
	b. Thiru.S. Krishnan, I.A.S., Additional Chief Secretary to Govt. (Industries Depart.) (From 06.11.2021 to Till date)	Director (Ex-Officio)

15. Composition of audit committee

The company has constituted an Audit Committee as per section 292A of the Companies Act 1956, (Section 177 of Companies Act 2013) in the 10th Board meeting of TANGEDCO held on 24.3.2011. The Audit Committee was formed with the following members.

- i. Chairman Cum Managing Director/TANGEDCO.
- ii. Principal Secretary to Government/Finance Department.
- iii. Principal Secretary to Government/Energy Department.
- iv. Principal Secretary to Government/Industries Department.

The Board has accepted all recommendations of the Audit Committee during the financial year 2021-22.

16. Number of meetings of the Board of Directors/Audit Committees:

(i) The details of Board Meetings are given below:

Sl. No. of Meeting	Date	Board Strength	No. of Directors Present
100	27.04.2021	11	10
101	05.08.2021	11	9
102	29.10.2021	11	8
103	30.11.2021	11	8
104	31.12.2021	11	7
105	19.01.2022	11	9
106	19.03.2022	11	8

ii. The details of Audit Committee Meetings are given below:

Sl. No. of Meeting	Date	Board Strength	No. of Directors Present
28	05.08.2021	4	4
29	31.11.2021	4	3
30	31.12.2021	4	3
31	19.01.2022	4	4

17. Directors Responsibility Statement:-

Pursuant to clause (c) of subsection (3) read with sub section (5) of section 134 of the Companies Act 2013, the Directors to the best of their knowledge and belief confirm that,

- a. The 12th Annual report of the FY 2020-21 prepared under Indian Generally Accounting Principles (I-GAAP) was placed for the adoption in the AGM dated 31.12.2021, so as to comply with the conditions stipulated for additional borrowings by the State Government. As per the directions in the 106th meeting of the Board held on 19.03.2022 & also on 22.04.2022, application u/s.131 of the Companies Act, 2013 for the voluntary revision of the Financial Statements of TANGEDCO for FY 2020-21 was filed before the Hon'ble National Company Law Tribunal (NCLT), numbered CP/77/(CHE)/2022. The petition was allowed in the order dated 12.01.2023. The 12th Annual Report **(Revised)** of FY 2020-21, under Ind AS, with the date of transition as on 01.04.2019 have been adopted in the General Meeting dated 28.08.2023.
- b. Meanwhile, as the due date for adoption of Annual Accounts for the FY 2021-22, fixed as 31.12.2022, for complying with the conditions stipulated for additional borrowings by the State Government, was nearing, TANGEDCO had to complete its Annual Accounts under IGAAP for FY 2021-22 and adopted the same in the AGM dated 17.12.2022. The Board also directed to proceed for the voluntary revision of Financials under IND AS, for FY 2021-22, u/s.131 of the Companies Act, 2013.
- c. In order to give consequential impact on the opening balance from the Annual Accounts of FY 2020-2021, revised under Ind AS and to carry out the Ind AS adjustment for the year 2021-2022, a petition seeking voluntary revision of accounts of TANGEDCO for FY 2021-22 was filed before Hon'ble NCLT and numbered as CP/2/(CHE)/2023. The Hon'ble NCLT allowed the petition vide its order dt.12.06.2023. Accordingly, the annual Financial Statements of FY 2021-22, has been revised, under Ind AS.
- d. TANGEDCO has implemented SAP-ERP in a phased manner during FY 2021-22. The legacy GL codes have been mapped with the ERP GL codes. The Company has reclassified previous year figures to bring the same in accordance with the Schedule III presentation requirements.

- e. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the company as at March 31, 2022 and the profit or loss of the company for that period.
- f. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 to the extent applicable for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- g. The Directors had prepared the financial statements as a going concern basis.
- h. The Directors had devised proper system to ensure compliance with the provision of all the applicable laws and that such a system are adequate and operating effectively.

Acknowledgment:

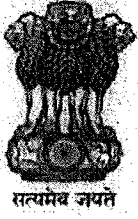
The Board of Directors wish to place on record their appreciation for all the support and guidance extended by the Government of Tamil Nadu, Government of India, Hon'ble Tamil Nadu Electricity Regulatory Commission and other forums, TNEB Ltd., TANTRANSCO and other Agencies such as Government treasury, CEA, CERC, Financial Institutions viz., REC, PFC, TNPFC, HUDCO, NABARD, etc and Commercial Banks, Ministry of Corporate Affairs, Registrar of Companies, Comptroller and Auditor General of India (C&AG), Statutory Auditors, Standing Councils and the General Public for co-operation and active support to TANGEDCO, in our endeavour to serve them. The Board of Directors would also like to place on record its appreciation for the dedicated and committed services rendered by the employees of the Corporation.

Place: Chennai

Date: 30.08.2023

For and on behalf of the Board


Chairman cum Managing Director
TANGEDCO



कार्यालय प्रधान महालेखाकार (लेखापरीक्षा-II)

तमिलनाडु एवं पुदुचेरी

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II)
TAMILNADU & PUDUCHERRY

स. प्रमले. (लेखापरीक्षा II)/ शा. का टी एन ई बी /डेटा बैंक /2023-24/37

28.12.2023

No. PAG (Audit II)/BO TNEB/DATA BANK/2023-24/37

28.12.2023

सेवा में/To

अध्यक्ष एवं प्रबंध निदेशक,
टैनजेटको,
चेन्नई - 600 002

Chairman and Managing Director,
TANGEDCO,
Chennai - 600 002.

महोदय Sir/ महोदया Madam,

विषय: 31 मार्च, 2022 को समाप्त वर्ष के लिए टैनजेटको, चेन्नई के संशोधित खातों पर कंपनी अधिनियम, 2013 के अधीन धारा 143(6)(बी) के निव म.लेप. की टिप्पणी।

Sub: Comments of the C&AG of India u/s 143(6)(b) of the Companies Act, 2013 on the revised accounts of TANGEDCO, Chennai for the year ended 31 March, 2022.

31 मार्च, 2022 को समाप्त वर्ष के लिए टैनजेटको, चेन्नई के संशोधित खातों पर कंपनी अधिनियम, 2013 की धारा 143(6)(बी) के अधीन भारत के नियंत्रक एवं महालेखापरीक्षक के टिप्पणियों प्रमाण-पत्र में इस के साथ अग्रेषित कर रहा हूँ।

I am to forward herewith the COMMENTS CERTIFICATE of the Comptroller and Auditor General of India under section 143 (6) (b) of the Companies Act, 2013 on the revised accounts of TANGEDCO, Chennai for the year ended 31 March, 2022.

वार्षिक सामान्य बैठक के कार्यवृत्त की एक प्रति जिसमें कंपनी अधिनियम 2013 की धारा 143 (6)(बी) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणी प्रस्तुत की जानी है, उसे इस कार्यालय को कृपया सहाशीघ्र भेजी जाए। सुदृष्ट वार्षिक रिपोर्ट की छः प्रतियाँ जब भी तैयार होती हैं, इस कार्यालय को अग्रेषित की जाएँ। लेखा परीक्षा की सूचना के तहत कंपनी अधिनियम, 2013 की धारा 395 के साथ पठित सीएजी के डीपीसी अधिनियम की धारा 19 ए (3) के तहत विधान सभा के समक्ष सीएजी की टिप्पणियों के साथ वार्षिक खातों को रखने के लिए कार्यवाई की जा सकती है।

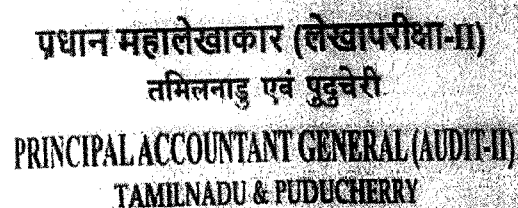
A copy of the minutes of Annual General Meeting in which comments of Comptroller & Auditor General of India are to be placed under section 143 (6) (b) of the Companies Act 2013 may please be sent to this office early. Six copies of printed Annual Reports as and when they are ready may be forwarded to this office. Action may be taken to place the annual accounts along with comments of C&AG before the legislative assembly as required under Section 19 A (3) of C&AG's DPC Act read with Section 395 of Companies Act, 2013 under intimation to audit.

भवदीय/Yours sincerely,

उप महालेखाकार

Deputy Accountant General

संलग्न यथोपरि
Encl: As above



The preparation of revised financial statements of Tamil Nadu Generation and Distribution Corporation Limited, Chennai (TANGEDCO) for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the revised 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 30 August 2023. *The Statutory Auditors have issued Adverse Comment on the revised financial statements of the Company.*

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 revised financial statements of TANGEDCO for the year ended 31 March 2022. 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:

Balance-Sheet

A. Assets

Comments on Non-current assets

Capital work-in-progress:- Note 4(a):- ₹42,847.23 crore

1. During the certification audit for the period 2021-22, it was commented that capital work-in progress was over-stated due to non-charging of yearly ATS (Annual Technical Support) charges paid for the ERP SAP and non-apportionment of the corresponding share of ATS expenditure applicable to TANTRANSCO which resulted in understatement of receivables from TANTRANSCO by ₹ 2.89 Crore and repairs and maintenance by ₹ 12.70 crore and consequent understatement of losses for the year. TANGEDCO, while passing the rectification entry in 2021-22, wrongly credited ₹15.59 crore under Creditors-Domestic Legacy (A/c code-20704020) instead of Capital work-in progress (JV no.53).

This has resulted in over-statement of Capital work in progress and Liability-Creditors Domestic legacy to the extent of ₹15.59 crore.

2. (a) The Company received financial assistance from Govt of India towards Integrated Power Development Scheme (IPDS) for strengthening of sub-transmission and distribution system in rural areas. As per the scheme, the company had to cover 522 statutory towns, comprising 37 Electricity Distribution Centres. The Funding for the scheme by the Government of India was ₹ 1017.52 crore (60%), Counterpart funding by FIs was ₹508.76 crore (30%) and by company's own fund was ₹169.56 crore totalling ₹1695.86 crore.

The date of completion of the said project in all the EDCs ranged from March 2019 to December 2020. The total finance closure of all the 37 Circles was submitted to Power Finance Corporation on 17.03.2022 for ₹1586.73 crore.

In this regard, it was seen that the Property Plant and Equipment as on 31.03.2022 was capitalised for ₹828.26 crore instead of ₹1586.73 crore. This was in violation of Para 15 of Ind AS 16 on Property, Plant and Equipment which states that "An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost." Thus, there is understatement of Property Plant and Equipment for ₹758.47 crore (₹1586.73 crore-₹828.26crore) and over-statement of Capital work-in-progress for ₹758.47 crore. Consequently, depreciation for the year 2021-22 & loss is under-stated for

₹ 40.05 crore (calculated @5.28%) on account of no details available of category of assets).

(b) Further, the grant of ₹756.09 crore was received as against ₹952.02 crore (₹195.93 crore recovered by MoP due to cancellation of R-APDRP Part A IT works). However, the grant portion of PPE capitalized was for ₹496.95 crore (31.03.2022).

Thus, there was under-statement of grant portion of PPE to be capitalized for ₹259.14 crore. This resulted in understatement of grant to be amortized for 2021-22 by ₹13.68 crore (₹259.14 crore*5.28%)

3. The above head includes ₹ 2124.32 crore being the value of works completed during the period from October 2010 to October 2020 under different schemes omitted to be capitalized and continued as capital works in progress even after completion of the schemes. Further, the above head also includes ₹832.21 crore representing the IDC amount to be allocated to various assets which were already commissioned and not capitalized till 2020-21. Due to non-capitalisation of completed assets as per IndAS 16, the above head is overstated, and Property, Plant and Equipment is understated by ₹2,956.53 crore. Resultantly, depreciation and loss of the Company is understated by ₹290.64 crore.

4. The above includes ₹ 23.69 crore being revenue expenditure capitalized in the earlier years for the capital work orders which are under progress. As there was no WIP pending to be capitalized in the current year in the respective circles, the excess unabsorbed expenditure under AUC should be charged off in the profit and loss account. IndAS 16 (para 6) states that Property, plant and equipment are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period. However, non transfer of unabsorbed expenditure to Profit and Loss account has resulted in overstatement of the Asset under Capitalization and understatement of loss to the extent of ₹23.69 crore.

5 The Company received grant from Ministry of Power (GoI) through REC for Deendayal Upadhyaya Gram Jyothi Yojana Scheme from 2016-17. The Company completed the project on 30.12.2020 by incurring ₹1043.89 crore. As against the above, PPE capitalised in the books of accounts as on 31.03.2022 was ₹229.37 crore.

Thus there is under-statement of PPE and over-statement of Capital work-in-progress to the extent of ₹814.52 crore (₹1043.89 cr-229.37 cr) and consequential non-compliance of IndAS 16.

Further, TANGEDCO received the grant of ₹556.22 crore from Government. Against which the Grant portion of PPE capitalized to the amount of ₹137.62 crore (60% of ₹229.37 crore) as on 31.03.2022. Thus, there is short amortization of grant to be capitalized to the extent of ₹418.60 crore (₹556.22 crore-137.62 crore).

The above has resulted in under-statement of Depreciation to the extent of ₹ 43.01 crore (in the absence of details of assets category, depreciation is worked out @ 5.28% for 1 year only). Similarly amortization of grant was under-stated by ₹22.10 crore for the year 2021-22 @ 5.28%).

Other Non-Current Assets:- (Note no. 7):- ₹114.25 crore

6. This does not include a sum of ₹30.34 crore being the cost of exploration done for Chandrabila Coal Block in Odissa, which TANGEDCO has written off by adjustment against Other Equity. As per IndAS 16 (para 67) only assets under disposal or assets from which benefits would be accrued to be derecognised.

As TANGEDCO is in the process of developing the Coal Block, the incorrect writing off of the expenditure has resulted in understatement of Other Non-current Assets and overstatement of negative balance of Other Equity by ₹30.34 crore.

Inventories- (Note 8) - ₹1,922.51 crore

7. This includes ₹22.03 crore being the value of 600MW generator exciter assembly complete set, kept by TANGEDCO as stand-by equipment for the 2X600 MW units of NCTPS II. As stand-by equipment are to be classified under Property, Plant and Equipment as per Ind AS 16, accounting of the above equipment as Inventories has resulted in overstatement of the above head by ₹22.03 crore, understatement of Property, Plant and Equipment by ₹18.73 crore and understatement of depreciation by ₹3.30 crore. This has also resulted in understatement of loss for the year by ₹3.30 crore.

Comments on Financial Assets

Trade Receivables (Note-9) - ₹7,678.47 crore

8. The above head includes amount receivable from the LT Customers of various Electricity Distribution Circles. Under this head, there are debit and credit balances which have not been reconciled. On being pointed out, the Company replied that reconciliation would be carried out to resolve the differences.

Current Tax Asset (Net) (Note No 12) - ₹ 41.16 crore

9. It includes ₹20.83 crore being the Tax Deducted/Collected at Source (TDS/TCS) and shown as Advance Income Tax which is receivable from the Income Tax Department on assessment of Income Tax Return filed by TANGEDCO for the Financial Year 2021-22, whereas the same was ₹40.81 crore (TCS-13.95 crore and TDS-26.86 crore) as per Annual Tax Statement (26AS) of Income Tax Department where by Advance Tax to the extent of ₹19.98 crore remain unaccounted in the books of TANGEDCO.

This has resulted in understatement of other Income and receivables by ₹19.98 crore. Consequently, loss is also overstated to the same extent.

B. Liabilities-

Comment on Current Liability

Current liabilities- ₹116315.05 Cr

Trade Payables (Note 21) - ₹31012.24 Cr

10. This does not include an amount of ₹19.44 crore being the amount payable to M/s Coastal Energen Ltd. being the rebate on power purchase bills availed by TANGEDCO during Covid period, which is to be refunded. This has resulted in understatement of Trade Payable and overstatement of income to the extent ₹19.44 crore.

Statement of Profit & Loss for the year ended 31 March 2022 (Revised)

C. Income

Revenue from Operations (Note 25)

Other Operational Income

11. A reference is invited to Audit comment raised on the accounts of TANGEDCO for the year 2021-22 under IGAAP wherein it was commented that Revenue from operations is understated by ₹17.94 crore due to transfer of transmission charges and system operation charges to TANTRANSCO more than the revenue collected and accounted by

the TANGEDCO. This has resulted in overstatement of Payable to TANTRANSCO, understatement of Revenue from operation and overstatement of loss by ₹.17.94 crore.

However while switching from IGAAP to IND AS, for the year 2021-22, it is noticed that the company had passed wrong rectification entry thereby debiting the Income head and crediting Liability head instead of reversing the same. Consequently, this has resulted in under-statement of income and over-statement of liability to the extent of ₹35.88 crore.

Absence of Accounting Policy on rebate receivable from Tamil Nadu Power Finance Corporation Limited

12. The fact that the prompt payment rebate receivable from Tamil Nadu Power Finance Corporation Limited for prompt payment of instalments paid for the year 2021-22 in respect of Long and Short-Term Loans availed from it which was approved by the TNPFC Board in June 2022 and credited to TANGEDCO on 30 September 2022 is not accounted in the above head as the Company follows the practice of accounting such rebates on receipt basis. This fact on accounting treatment needs to be suitably disclosed in the financial statements.

D. Expenses

Cost of power Generation (Note - 28)- ₹7,875.54 Crore

13. This is overstated by ₹ 213.87 crore due to accounting of the expenditure incurred on various work orders under profit and loss account instead of accounting in Asset Under Construction due to non-carrying out periodical/monthly settlement of work orders in the ERP SAP by the various circles of TANGEDCO. This has resulted in understatement of Asset Under construction and overstatement Cost of Power Generation and loss by ₹213.87 crore.

Finance Costs (Note -30)- ₹ 10,923.25 Crore

14. This is overstated by ₹ 1.78 crore due to excess provision of guarantee charges over and above the sanctioned limit and calculation of guarantee charges for half yearly basis instead of an actual daily balance of guarantee outstanding as envisaged in the Guarantee Order resulting in understatement of Financial Liabilities-Creditors for expenses(Note 20) and loss by ₹1.78 crore.

15. This is understated by ₹. 1.34 crore due to short provision of interest on CPS/GPF balance as on 31 March 2022 resulting in understatement of other financial liabilities and loss by ₹.1.34 crore.

E. General

Comments on Deficiency in Independent Auditors' Report

16. Point No: 8 under Basis of Adverse Opinion reads "Reference is drawn to Note 4c intangible assets under development amounting to ₹86.72 Crore as at the year end, which comprises SAP ERP already been put to use by the Company with effect from 1st April 2021. The same is still shown as intangible assets under implementation and has not been amortised in accordance with Ind AS 38- Intangible Assets." The above needs correction as the total cost incurred w.r.t SAP ERP as on 31st March 2022 was ₹88.05 crore. Also, the fact that since TANGEDCO is the nodal agency for implementation, and the total expense incurred on ERP has been decided to be apportioned on the basis of 79.64:20.36 between TANGEDCO and TANTRANSCO but the corresponding share of the TANTRANSCO has not been transferred through debit note needs to be mentioned in the above qualification.

F. Net Impact of Comments

17. The net impact of the above comments is that the losses are understated by ₹189.30 Crore. If this is taken into account, the reported loss (before tax) for the year of ₹9130.36 Crore would increase to ₹9319.66 crore.

Date : 28-12-2023


PRINCIPAL ACCOUNTANT GENERAL

C&AG Comments of TANGEDCO Revised Annual Accounts for 2021-22

Accountant General Audit Comment	Management Reply
<p>BALANCE SHEET ASSETS – NON-CURRENT ASSETS Capital work-in-progress:-Note 4 (a):- ₹.42,847.23crore</p>	
<p>1. During the certification audit for the period 2020-21, it was commented that capital work-in progress was over-stated due to non-charging of yearly ATS (Annual Technical Support) charges paid for the ERP SAP and non-apportionment of the corresponding share of ATS expenditure applicable to TANTRANSCO which resulted in understatement of receivables from TANTRANSCO by ₹.2.89 Crore and repairs and maintenance by ₹.12.70 crore and consequent understatement of losses for the year. TANGEDCO, while passing the rectification entry in 2021-22, wrongly credited ₹.15.59crore under Creditors-Domestic Legacy (A/c code-2070402) instead of Capital work-in progress (JV no.53).</p> <p>This has resulted in over-statement of Capital work in progress and Liability-Creditors- Domestic legacy to the extent of ₹.15.59 crore.</p>	<p>The rectification journal will be carried out in FY 2022-23</p>
<p>2. (a)The Company received financial assistance from Govt of India towards Integrated Power Development Scheme(IPDS) for strengthening of sub-transmission and distribution system in rural areas. As per the scheme, the company had to cover 522 statutory towns, comprising of 37 Electricity Distribution Centers. The Funding for the scheme by Government of India (GoI) was ₹.1017.52 crore (60%)Counter part funding by FIs was ₹.508.76 crore (30%) and by Company's own fund ₹.169.56 crore totaling ₹.1695.86 crore.</p> <p>The date of completion of said project in all the EDCs ranged from March 2019 to December 2020.The total finance closure of all the 37 Circles was submitted to Power Finance Corporation on 17.03.2022 for ₹.1586.73 crore.</p> <p>In this regard, it was seen that the Property Plant and Equipment as on 31.03.2022 was capitalised for ₹.828.26 crore instead of ₹.1586.73 crore. This was in violation of Para 15 of IND AS 16 on Property, plant and Equipmentwhich states that " An item of property, Plant and</p>	<p>Since the Fixed Assets register (FAR) is created afresh with all quantitative asset components obtained from field engineers, the assets commissioned have been brought into FAR.</p> <p>The IPDS scheme related works were being carried out in all the distribution circles and capitalised by the circle level as and when closed by the respective field engineers. It is pointed out by the AG audit that out of the project cost of ₹.1695.86 crores a sum of ₹.828.26 crores only capitalised through the work has been</p>

Accountant General Audit Comment	Management Reply
<p>Equipment that qualifies for recognition as an asset shall be measured at its cost". Thus, there is under- statement of Property Plant and Equipment for ₹.758.47 crore(₹.1586.97 crore-₹.828.26 crore) and over-statement of Capital work-in-progress for ₹.758.47 crore. Consequently, depreciation for the year 2021-22 & loss is understated for Rs. 40.05 crore (calculated @5.28%) on account of no details available of category of assets).</p> <p>(b) Further, the grant of Rs.756.09 crore was received as against Rs.952.02 crore(Rs.195.93 crore recovered by MoP due to cancellation of R-APDRP Part A IT works). However, the grant portion of PPE capitalized for Rs.496.95 crore as on 31.03.2022.</p> <p>Thus, there was under-statement of grant portion of PPE to be capitalized for Rs.259.14 crore. This resulted in understatement of grant to be amortized for 2021-22 by Rs.13.68 crore(Rs.259.14 crore*5.28%).</p>	<p>completed by December 2020.</p> <p>The pending work order in respect of IPDS scheme prevailing in the circle will be reviewed and arranged to be capitalised, if necessitated. Efforts will also be arranged to be taken to provide appropriate depreciation from the date of capitalisation and due amortisation of grants.</p>
<p>3.The above head includes Rs 2124.32 crore being the value of works completed during the period from October 2010 to October 2020 under different schemes omitted to be capitalized and continued as capital works in progress even after completion of the schemes. Further, the above head also includes Rs 832.21 crore representing the IDC amount to be allocated to various assets which were already commissioned and not capitalized till 2020-21. Due to non-capitalization of completed asset as per IND AS 16, the above head is overstated, and Property, Plant and Equipment is understated by Rs 2,956.53 crore. Resultantly, depreciation and loss of the Company is understated by Rs290.64 crore.</p>	<p>Since the Fixed Assets register (FAR) is created afresh with all quantitative asset components obtained from field engineers, the assets commissioned have been brought into FAR.</p> <p>However, in case of any Capital WIP Wherein work is completed but not capitalised and brought into assets, the reconciliation of WIP balance in each circle has to be carried out to sort out the issues which will be taken up separately and resolved in a time bound manner.</p>
<p>4. The above includes ₹ 23.69 crore being revenue expenditure capitalized in the earlier years for the capital work orders which are under progress. As there was no WIP pending to be capitalized in the current year in the</p>	<p>Since the Fixed Assets register (FAR) is created afresh with all quantitative asset components obtained from field engineers, the</p>

Accountant General Audit Comment	Management Reply
<p>respective circles, the excess unabsorbed expenditure under AUC should be charged off in the profit and loss account. IND AS 16 (para 6) states that Property, Plant and Equipment are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period. However, non transfer of unabsorbed expenditure to Profit and Loss account has resulted in overstatement of the Asset under Capitalization and understatement of loss to the extent of Rs.23.69 crore.</p>	<p>assets commissioned have been brought into FAR.</p> <p>However, in case of any Capital WIP wherein allocation of revenue expenses need to be capitalised, the reconciliation of WIP balance in each circle has to be carried out to sort out the issues which will be taken up separately and resolved in a time bound manner.</p>
<p>5.The Company received grant from Ministry of Power (GoI) through REC for Deendayal Upadhyaya Gram Jyothi Yojana Scheme from 2016-17. The Company completed the project on 30.12.2020 by incurring Rs.1043.89 crore. As against the above, PPE capitalized in the books of accounts as on 31.03.2022 was Rs.229.37crore.</p> <p>Thus there is under-statement of PPE and over-statement of Capital work-in-progress to the extent of Rs.814.52 crore (Rs.1043.89 cr- Rs.229.37 cr) and consequential non-compliance of IndAS 16.</p> <p>Further, TANGEDCO received the grant of Rs. 556.22 crore from Government. Against which the Grant portion of PPE capitalized to the amount of 137.62 crore (60% of Rs.229.37 crore) as on 31.03.2022. Thus, there is short amortization of grant to be capitalized to the extent of Rs. 418.60 crore (Rs.556.22 crore-137.62 crore).</p> <p>The above has resulted in under-statement of Depreciation to the extent of 43.01 crore (in the absence of details of assets category, depreciation is worked out @ 5.28% for 1 year only). Similarly amortization of grant was under-stated by 22.10 crore for the year 2021-22 @ 5.28%</p>	<p>Since the Fixed Assets register (FAR) is created afresh with all quantitative asset components obtained from field engineers, the assets commissioned have been brought into FAR.</p> <p>The DDUGJY scheme related works were being carried out in all the distribution circles and capitalised by the circle level as and when the closed by the respective field engineers. It is pointed out by the AG Audit that out of the project cost of Rs.924.12 crore the sum of Rs.554.47 crores only capitalised through the work has been completed by December 2020.</p> <p>The pending work order in respect of DDUGJY scheme prevailing in the circle will be reviewed and arranged to be capitalised, if necessitated. Efforts will</p>

Accountant General Audit Comment	Management Reply
	also be taken to provide appropriate depreciation from the date of capitalisation and due amortisation of grants.
Other Non-Current Assets:- (Note no.7):- Rs.114.25crore	
<p>6.This does not include a sum of ₹30.34 crore being the cost of exploration one for Chandrabila Coal Block in Odissa, Which TANGFDCO has written off by adjustment against Other Equity. As per IndAS 16 (para 67) only assets under disposal or assets from which benefits would be accrued to be derecognised.</p> <p>As TANGEDCO is in the process of developing the Coal Block, the incorrect writing off of the expenditure has resulted in understatement of Other Non-current Assets and overstatement of negative balance of Other Equity by ₹30.34 crore.</p>	The rectification journal will be carried out in FY 2022-23.
Inventories-(Note8)-₹1,922.51 crore	
<p>7.This includes ₹22.03 crore being the value of 600MW generator exciter assembly complete set, kept by TANGEDCO as stand-by equipment for the 2X600MW units of NCTPS II.As stand-by equipment are to be classified under Property, Plant and Equipment as per Ind AS 16, accounting of the above equipment as Inventories has resulted in overstatement of the above head by ₹22.03 crore, understatement of Property, Plant and Equipment by ₹ 18.73 crore and understatement of depreciation by ₹3.30 crore. This has also resulted in understatement of loss for the year by ₹3.30 crore.</p>	<p>In Generating Stations, the spares are procured for the Repair & Maintenance (R & M) purpose and kept under the Inventory on the urgent requirement in case of outages, these items will be utilized for R & M. However, the major spares available under the inventory heads as pointed out by the AG will be analysed and on utilization of such inventories as replacement of existing asset component, the same will be capitalized and depreciation will be applied based on the remaining useful life of the asset. Since these items could be utilized for R & M or replacement purposes, such</p>

Accountant General Audit Comment	Management Reply
	materials/ spares being held under inventory only.
Financial Assets (Note-9) Trade Receivables—Rs.7,678.47crore	
<p>8. The above head includes an amount receivable from the LT Customers of various Electricity Distribution Circles. Under this head, there are debit and credit balances which have not been reconciled. On being pointed out, the company replied that reconciliation would be carried out to resolve the differences.</p>	<p>Proper reconciliation between the circle balance as well as Head Quarters Funds balance among the GLs viz, 2070309, 2070310 & 2070311 would be carried out to resolve these differences.</p>
9. Current Tax Asset (Net) (NoteNo.12)-₹41.16crore	
<p>It includes ₹20.83 crore being the Tax Deducted/Collected at Source (TDS/TCS) and shown as Advance Income Tax which is receivable from the Income Tax Department on assessment of Income Tax Return filed by TANGEDCO for the Financial Year 2021-22, whereas the same was ₹ 40.81 crore (TCS-13.95crore and TDS-26.86 crore) as per Annual Tax Statement (26AS) of Income Tax Department where by Advance Tax to the extent of ₹19.98 crore remain unaccounted in the books of TANGEDCO.</p> <p>This has resulted in understatement of other Income and receivables by ₹.19.98 crore. Consequently, loss is also overstated to the same extent.</p>	<p>Circles have been instructed to reconcile the TDS u/s.194Q and pass Journals in TANGEDCO's books of accounts for the year 2022-23.</p>
B. Liabilities Current liabilities-Rs.116315.05cr Trade Payables (Note 21)- Rs.31012.24 Cr	
<p>10.This does not include an amount of Rs.19.44 crore being the amount payable to M/s Coastal Energen Ltd. being the rebate on power purchase bills availed by TANGEDCO during Covid period, which is to be refunded. This has resulted in understatement of Trade Payable and overstatement of income to the extent Rs.19.44 crore.</p>	<p>As per the reconciliation on the balances with the company, the covid rebate availed was included in Liquidation Scheme and is being paid in 48 instalments, the first instalment commencing from 08/2022.</p>
Statement of Profit & Loss for the year ended 31 March 2022(Revised) C. Income Revenue from	

Accountant General Audit Comment	Management Reply
Operations (Note 25) Other Operational Income	
<p>11. A reference is invited to Audit comment raised on the accounts of TANGEDCO for the year 2021-22 under IGAAP wherein it was commented that Revenue from operations is understated by ₹17.94 crore due to transfer of transmission charges and system operation charges to TANTRANSCO more than the revenue collected and accounted by the TANGEDCO. This has resulted in overstatement of Payable to TANTRANSCO, understatement of Revenue from operation and overstatement of loss by ₹.17.94 crore. However while switching from IGAAP to IND AS, for the year 2021-22, it is noticed that the company had passed wrong rectification entry thereby debiting the Income head and crediting Liability head instead of reversing the same. Consequently, this has resulted in under-statement of income and over-statement of liability to the extent of ₹35.88 crore.</p>	<p>The rectification journal will be carried out in FY 2022-23.</p>
<p>Absence of Accounting Policy on rebate receivable from Tamil Nadu Power Finance Corporation Limited</p>	
<p>12. The fact that the prompt payment rebate receivable from Tamil Nadu Power Finance Corporation Limited for prompt payment of installments paid for the year 2021-22 in respect of Long and Short-Term Loans availed from it which was approved by the TNPFC Board in June 2022 and credited to TANGEDCO on 30 September 2022 is not accounted in the above head as the Company is having the policy of accounting such rebates on receipt basis needs suitable disclosure in the financial statements.</p>	<p>The disclosure on the TNPFC rebate in Note No:26 is as below:</p> <p>"The rebate towards prompt payment of instalment by TANGEDCO to TNPFC is approved by the Board of TNPFC during June'22 and credited to TANGEDCO on 30.09.2022 and thus not accounted during FY 2021-22".</p>
<p>D. Expenses Cost of power Generation (Note - 28)- ₹.7,875.54 Crore</p>	
<p>13. This is overstated by ₹213.87 crore due to accounting of the expenditure incurred on various work orders under profit and loss account instead of accounting in Asset Under Construction due to non-carrying out periodical/monthly settlement of work orders in the ERP SAP by the various circles of TANGEDCO. This has resulted</p>	<p>TANGEDCO has implemented the ERP process during the FY 2021-22 for the first time. The capital work in progress are being accounted through</p>

Accountant General Audit Comment	Management Reply
<p>in understatement of Asset Under construction and overstatement Cost of Power Generation and loss by ₹.213.87 crore.</p>	<p>work orders created in the ERP. The expenses incurred towards the work order will be initially accounted under revenue expenses GL codes and subsequently through periodical settlement process all the expenses related to work orders will be settled and accounted in asset under construction GL code. On final settlement of each and every work orders the capital work in progress will be accounted as related fixed assets. The reply related to AG audit observation are given below.</p> <p>a) Because of technical error in ERP process under the periodical settlement process, certain expenses booked under the A/c heads 4021110, 4021113, 4021114 & 4021118 were not moved to related work orders. Though the periodical settlement process was carried out at the Head Quarters level, being the first year of the ERP implementation, the above amount of expenditure could not be settled against related work orders. In order to appropriately transfer the revenue expenses to the capital work in progress, the balance available under the above A/c. heads were transferred to the assets under construction stage. However, during the year</p>

Accountant General Audit Comment	Management Reply
	<p>2022-23 these work orders in the ERP will be properly accounted by correcting the periodical settlement error occurred during FY 2021-22. On successful correction of the ERP process, this transfer journals would also be reversed and related work orders will be booked and transferred to Fixed Assets.</p> <p>b)In the ERP process GL codes 4023500 is meant for WIP – Upgradation Project and 4023600 is meant for WBS-Upgradation Project, which is utilised for allocation of revenue expenses to be capitalised from direct employees cost and interest during construction in relation to the specific work orders. The balances lying under these A/c heads could not be transferred to AUC through ERP process due to certain technical errors. Even through journal route, this revenue expenses to be allocated to CWIP could not be transferred.</p> <p>c)In the first year of implementation of ERP that to in phased manner, there were certain technical problems occurred in dealing with various ERP process. Such problems are getting resolved with the help of the ERP developer in a phased manner.</p>

Accountant General Audit Comment	Management Reply
Finance Costs (Note-30)-₹.10,923.25 Crore	
14. This is overstated by ₹. 1.78crore due to excess provision of guarantee charges over and above the sanctioned limit and calculation of guarantee charges for half yearly basis instead of an actual daily balance of guarantee outstanding as envisaged in the Guarantee Order resulting in understatement of Financial Liabilities-Creditors for expenses(Note20) and loss by Rs.1.78crore.	The necessary adjustment for Rs.1.78 crore will be made for the excess accounting of Guarantee Charges made in the FY 2021-22 in the FY 2022-23 as per Audit workings based on daily balance outstanding and daily product method.
15. This is understated by . 1.34 crore due to short provision of interest on CPS/GPF balance as on 31 March 2022 resulting in understatement of other financial liabilities and loss by ₹.1.34 crore.	The rectification journal will be carried out in FY 2022-23.
E. General Comments on Deficiency in Independent Auditors' Report	
16. Point No: 8 under Basis of Adverse Opinion reads "Reference is drawn to Note 4c intangible assets under development amounting to 86.72 Crore as at the year end, which comprises SAP ERP already been put to use by the Company with effect from 1st April 2021. The same is still shown as intangible assets under implementation and has not been amortised in accordance with Ind AS 38- Intangible Assets." The above needs correction as the total cost incurred w.r.t SAP ERP as on 31st March 2022 was 88.05 crore. Also, the fact that since TANGEDCO is the nodal agency for implementation, and the total expense incurred on ERP has been decided to be apportioned on the basis of 79.64:20.36 between TANGEDCO and TANTRANSCO but the corresponding share of the TANTRANSCO has not been transferred through debit note needs to be mentioned in the above qualification.	The ERP has been implemented in phased manner during the year 2021-22 with various process introduced one by one that to Generation wing, Distribution wing and Projects wing separately in several periods. Since, the most of the ERP process are being utilized in its entirety from 01.04.2022 onwards, the intangible assets under development will be capitalized from 01.04.2022 and additional cost incurred during FY 2021-22 in different period will also be capitalized and amortization over a period of useful life of ERP software package. Thus, the capitalization and amortization of ERP expenditure will be made in the FY 2022-23.

Accountant General Audit Comment	Management Reply
<p>F. Net Impact of Comments</p> <p>17. The net impact of the above comments is that the losses are understated by Rs. 189.30 Crore. If this is taken into account, the reported loss (before tax) for the year of Rs. 9130.36 Crore would increase to Rs.9319.66 crore.</p>	<p>The management has decided to attend the AG audit comments in the subsequent financial year.</p>

K. Gopal Rao & Co
Chartered Accountants
New No.21, Old No.9/1
Moosa Street, T. Nagar,
Chennai – 600 017

Khicha & Prabu Kesavan
Chartered Accountants
No.530, Vysial Street, Second Floor,
Above Canara Bank,
Coimbatore - 641 001

B. Thiagarajan & Co
Chartered Accountants
No.24/15, Yogambal Street,
T. Nagar, Chennai – 600 017

M. Thomas & Co
Chartered Accountants
G11, Marina Square, 53, Santhome High
Road, Santhome, Chennai – 600 004

**TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION
LIMITED**

INDEPENDENT AUDITOR'S REPORT

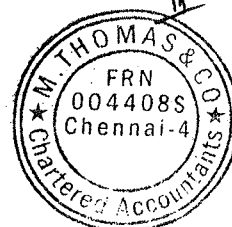
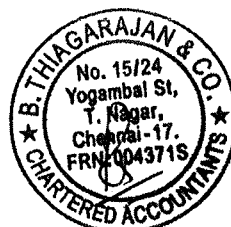
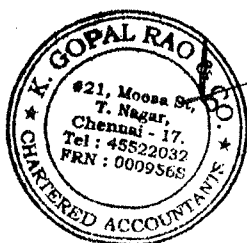
To the Members of Tamil Nadu Generation and Distribution Corporation Limited

Report on the Audit of the Standalone Financial Statements

Adverse Opinion:

We have audited the accompanying Ind AS Financial Statements of Tamil Nadu Generation and Distribution Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Revised Ind AS Financial Statements").

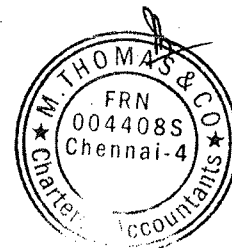
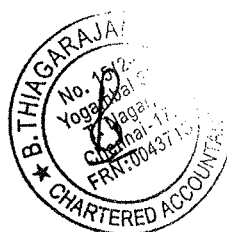
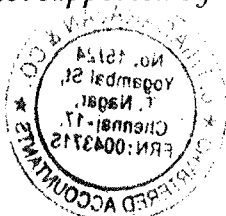
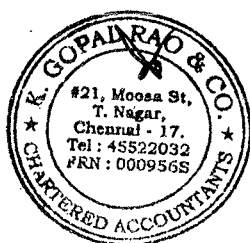
In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the Basis of Adverse Opinion section of our report, the aforesaid standalone financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and do not give a true and fair view in conformity with accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2022 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



Basis for Adverse Opinion:

Property, Plant and Equipment (PPE)

1. *In respect of the fair valuation exercise of PPE, carried out as on the date of transition to Ind AS i.e., 1st April 2019 and having an impact on the opening balance of PPE as on 1st April 2021, we observed the following:*
 - a) *In general, with regard to quantity, date of capitalisation and the useful life of PPE as certified by the management, the maintenance of sufficient supporting documents to corroborate the details as stated above requires strengthening.*
 - b) *Further, in the absence of sufficient supporting document we are unable to confirm whether physical, technical, and economic obsolescence have been factored in the valuation of PPE.*
 - c) *In respect of most of the lands, title deeds are not registered in the name of the Company. In addition, sufficient supporting documents for rate adopted for valuing lands have not been made available. Further, documents provided for land area measurement do not correspond with the measurement considered for the purpose of valuation. In the absence of adequate information, we are unable to quantify the impact of the above on the valuation of land.*
 - d) *In respect of building and other civil works, sufficient supporting documents to confirm the built-up area were not made available.*
 - e) *In respect of Plant and Machinery, Lines, cable network,*
 - i. *Sufficient supporting document to confirm the quantity and date of acquisition/capitalisation were not made available.*
 - ii. *In respect of the base acquisition cost, considered for arriving at the fair value, which has been obtained from the cost data book internally maintained by the management, we have not been provided with sufficient and appropriate documents to substantiate the correctness and completeness of the values given in the cost data book.*
 - iii. *The methodology adopted for valuing plant and machinery, in respect of which no values (base acquisition cost) have been provided in the cost data book, are not supported by sufficient and appropriate documents.*

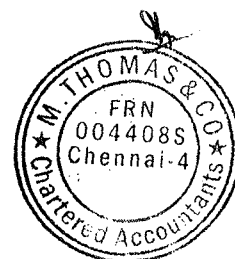
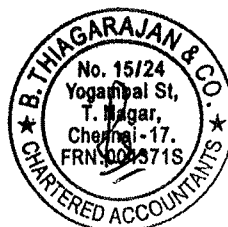
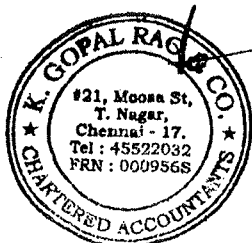


- f) In respect of additions made to PPE during Financial Year 2019-20 and 2020-21, the Company has adopted the same fair valuation method adopted for the transition date i.e., 1st April 2019 instead of actual cost incurred in respect of such additions.
- g) The Company has capitalised contingencies (1%), labour and transport (15%), establishment and supervision (15%) and interest during construction (IDC) and other overheads (14.59% / 32.62%), to the base acquisition cost of each asset/component of asset except land and buildings. In addition, these percentages have been applied on a cumulative basis in the order mentioned above on the base acquisition cost for arriving at the fair value as on 1st April 2019 as well as additions made during Financial Year 2019-20 and 2020-21.

In respect of the above, the Company has not furnished any supporting document to substantiate these percentages as well as the manner of applying these percentages on cumulative basis.

In view of the above observations stated in para 1(a) to (g) we are unable to comment on the accuracy of the value of PPE and the consequential impact on the statement of profit and loss.

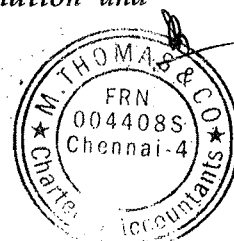
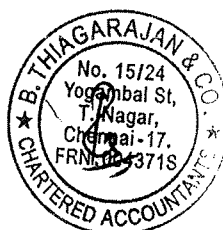
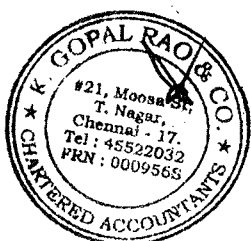
2. In respect of additions to PPE during the Financial year 2021-22, we observed the following:
- a) In respect of additions to the value of Plant and Machinery and other assets during the year, cost adopted for value of materials issued upto 31st March 2021, i.e., prior to the date of implementation of ERP is at standard cost and not at actual cost which is not in accordance with Ind AS 16. Further in respect of some account rendering units, the value of additions to plant and machinery is the work order sanctioned amount which is only an estimated value which is also not in accordance with Ind AS 16.
- b) In respect of Interest During Construction (IDC) at 10.24% and other overheads at 4.29% capitalised to the cost of each asset/component of asset (except land and other non-qualifying assets), no information or explanations have been provided to substantiate the rate of capitalisation and period of charge.



- c) We are unable to comment on whether physical verification of PPE has been conducted during the year since no reports were made available to us for our verification.
- d) The Company has not conducted any impairment assessment of its PPE including co-generation facilities located at sugar mills and other financial assets.
- e) Balance of PPEs as at the yearend appears as credit balance in the books of various account rendering units which is neither explained nor corrected.
- f) Accounting procedure followed for sale or scrapping of assets is not in compliance with accounting standard. In the absence of information including listing and computations in respect of Profit/Loss on sale of disposed assets, we are unable to ascertain the impact of such disposals on the statement of profit and loss for depreciation and consequential profit and/or loss on such sale or scrapping of assets for the year ended and PPE balances thereon.
- g) In respect of value of capital spares included as part of Plant and Equipment, information and explanations have not been provided and hence we are unable to comment on the correctness of value of Plant and Equipment given in the financial statement to that extent.

Further, in respect of capital spares at various account rendering units, there are no movements from opening balance. In the absence of information and year wise list, we are unable to confirm whether such materials are usable or obsolete and require provision to be made for obsolescence.

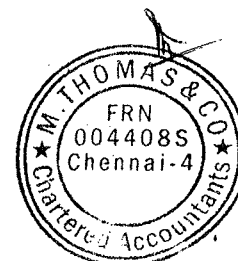
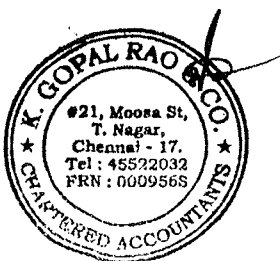
3. The balance as per PPE Register maintained in SAP has not been reconciled with the balance as per books of account. In the absence of such reconciliation, we are unable to comment on the completeness and accuracy of the PPE balance.
4. Several work orders have been capitalised during the year ended 31st March 2022 and forming part of PPE whereas such completed work orders have been considered as part of PPE at the time of transition to Ind AS. Consequently, the PPE balance in respect of these work orders, to the extent already capitalized may be overstated. The consequential impact on the PPE and Statement of Profit and Loss is unascertainable due to nonavailability of proper information and explanations.



5. Reference is drawn to Note 4a of the financial statements wherein additions/deletions during the year and opening / closing balances of PPE have not been presented in accordance with Schedule III of the Companies Act, 2013 including differences noted in the carry forward of previous year closing balance.

Description	Note Reference	Ind AS balance as at		Difference
		31 st March 2021	1 st April 2021	
Cost or deemed cost (Gross carrying amount)				
Buildings and other civil works	4a	3,811.22	5,673.09	(1,861.87)
Plant and Equipment	4a	51,670.41	50,617.89	1,052.52
Vehicles	4a	24.71	24.74	(0.03)
Capital Spares and Others	4a	1,875.19	1,065.80	809.39
Accumulated depreciation and impairment losses				
Building and other civil works	4a	299.43	359.75	(60.32)
Plant and Equipment	4a	7,151.80	7,445.12	(293.32)
Office Equipment	4a	46.27	46.31	(0.04)
Others	4a	592.77	239.09	353.68

6. Total depreciation provided for the current year Rs 3,819.00 Crores (Previous year Rs 3,924.17 Crores) does not correspond with the total additions to and/or opening gross carrying amount of PPE made during the current year which we are unable to confirm the correctness thereof in the absence of information and explanations.
7. In respect of devolution of assets for the purpose of repair and reuse or sale as scrap, the accounting treatment given in the books of account is not appropriate as regards removal of assets from PPE balance and corresponding accumulated depreciation of such assets.
8. Reference is drawn to Note 4c –intangible assets under development amounting to Rs 86.72 Crores as at the yearend, which comprises SAP ERP already been put to use by the Company with effect from 1st April 2021. The same is still shown as intangible assets under implementation and has not been amortised in accordance with Ind AS 38 – Intangible Assets.



Further, the above balance also includes a sum of Rs 2.11 Crores pertaining to employee benefit cost. In the absence of information and explanations, we are unable to ascertain whether such amount is required to be charged off in the Statement of Profit and Loss.

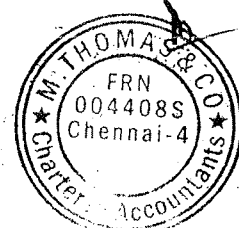
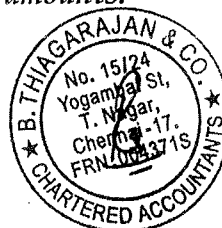
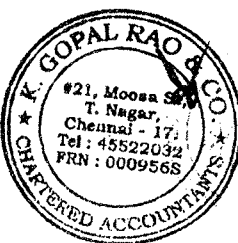
CWIP

9. In respect of Capital Work in Progress (CWIP) balance as at 31st March 2021:

- a) Several work orders have been completed as on 31st March 2021 and form part of CWIP balances in the books whereas such completed work orders have been considered as part of PPE at the time of transition to Ind AS. Consequently, the CWIP balance in respect of these work orders, to the extent already capitalized as part of PPE, may be overstated. The consequential impact on the CWIP, PPE and statement of profit and loss account is unascertainable due to nonavailability of proper information and explanations.
- b) Work order and scheme wise listing for CWIP balances are not being maintained. Therefore, we are unable to comment on the completeness and accuracy of the same.
- c) Material cost included in CWIP is at standard rate and not at actual cost.
- d) Revenue expenses amounting to Rs 5,875.22 Crores pertaining to earlier years have been capitalized and included as part of CWIP balances

10. Reference is drawn to Note 4(a) - Property, Plant and Equipment balances where the movement of CWIP, both additions to CWIP and transfers/disposal during the year have not been adequately disclosed. In the absence of proper information and explanation from management, we are unable to confirm the correctness of the said disclosures.

11. Periodical settlement process in ERP as regards unmapped legacy work orders created prior to implementation of ERP has not been carried out properly. Consequently, an amount of Rs 198.29 Crores incurred during the year in respect of these legacy work orders remain in capital consumption and WIP upgradation accounts in various account rendering units which are classified as Other expenses - Repairs and Maintenance. The CWIP and/or PPE balances are understated, and loss overstated to the extent of the aforesaid amounts.



12. In various account rendering units, payments made to vendors have been posted to CWIP instead of relevant vendor account. This error in posting has an impact on both balances of CWIP and vendor outstanding.

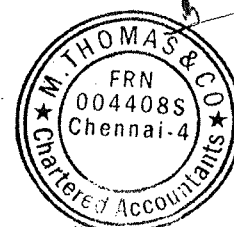
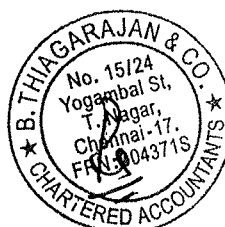
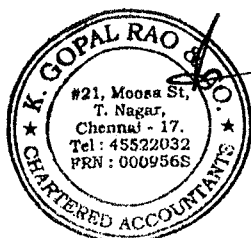
13. Balance of CWIP as on 31st March 2022 includes value of work completed but pending to be capitalised. Further, CWIP balance also includes completed work orders that have been considered as part of PPE at the time of transition to Ind AS.

Borrowing costs/ Overheads

14. As regards borrowing cost capitalized:

- a) for additions made to PPE during the Financial Years 2019-20 and 2020-21 is not in accordance with the recognition principles contained in Ind AS 23 - Borrowing costs as regards identification of qualifying assets, borrowing cost eligible for capitalisation, cost of borrowings adopted, commencement, suspension, cessation of capitalisation, in respect of which the impact on the opening gross carrying amount of the relevant PPE is not ascertainable,
- b) amounting to Rs 4,720.30 Crores during the year, including an amount of Rs 2,346.37 Crores in Headquarters' books of account, and contained in closing balance of Capital Work in Progress as at the yearend, in the absence of information and explanation including work order wise details, we are unable to comment on whether the same is in accordance with the recognition principles contained in Ind AS 23 - Borrowing costs and there is any effect on the Statement of Profit and Loss for the year,
- c) amounting to Rs 514 Crores during the year for Uppur Project, temporarily suspended, the same is not in accordance with recognition principles contained in Ind AS 23 - Borrowing costs.

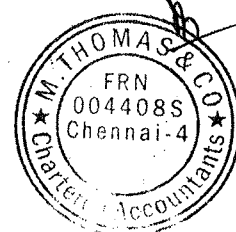
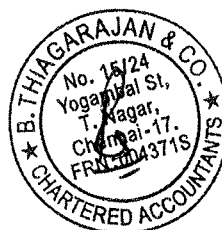
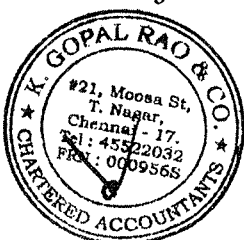
15. The basis of capitalisation of employee cost at 4.29% is done on estimated man-days (or) hours likely to be incurred on capital works or works capitalised rather than on actual man-days (or) hours spent on such works, which is not in accordance with measurement principles contained in Ind AS 16 - Property, Plant and Equipment.



16. In certain account rendering units, borrowing costs and overheads have not been capitalized in respect of work orders capitalised and/or in progress due to which the balances of PPE are understated, and corresponding expenses overstated.

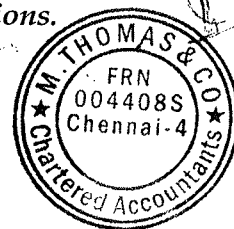
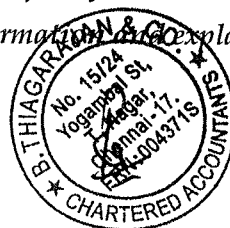
Inventory

17. Opening inventory other than coal has been valued considering the rate as per the latest purchase order which is not in accordance with Ind AS 2 - Inventories. The consequential impact on the Statement of Profit and Loss for the current year is not ascertainable in the absence of information and explanations.
18. Closing value of coal includes estimated figures of ocean freight component which is not in accordance with applicable Ind AS-2 - Inventories.
19. In respect of coal inventory, an amount of Rs 152.83 Crores being difference between value of physical inventory and books at the respective account rendering units still forms part of inventory balance as at the yearend. No proper information and explanations were provided for retaining the above value as part of inventory. This has the effect of overstatement of inventory balance and corresponding understatement of loss for the year.
20. Conveyance loss and operational loss of coal inventory has not been ascertained and accounted at North Chennai Thermal Power Station 2, value of which is not ascertainable in the absence of information and explanations.
21. Opening balances of inventory other than coal includes balances migrated from the erstwhile accounting software into SAP which displays negative balance amounting to Rs.1,518.72 Crores in respect of which no information or explanation have been provided.
22. Inventory balance as per Material Management module in SAP does not reconcile with the inventory balance as per general ledger in SAP at various account rendering units.
23. An amount of Rs 17.70 Crores pertaining to material cost variance has been recognised as an expenditure in the Statement of Profit and Loss during the year in respect of which no explanation and information have been provided as regards the accounting treatment as well as cost attributable to closing inventory. Consequently, we are unable to comment whether the closing inventory has been correctly stated.



Finance Liabilities

24. The Company has not reconciled the differences between the value of security deposits as per separate billing software and books of accounts and consequent impact on such balances and statement of profit and loss for any shortfall/excess of interest on such deposits is not ascertainable.
25. In several account rendering units, balances of vendor and TDS payable appear as debit balance which are unadjusted and unreconciled. In the absence of information and explanations, we are unable to ascertain the impact of the Statement of Profit and Loss and the correctness of such debit balances as at the year end.
26. Reference is drawn to Note 22 - Other financial liabilities wherein payment entries against employee benefits payable have been recorded both at Headquarters and account rendering units which has resulted in the understatement of employee benefits payable and corresponding balances with bank by Rs 933.90 Crores.
27. In several account rendering units, vendor invoices are accounted net of retention amounts and in effect retention amount recovered from contractors/vendors are not recorded as a liability at the time of receipt and recording of invoice. Consequently, the impact of closing vendor balance and the corresponding expenditure/asset balances is not ascertainable in the absence of information and explanations.
28. The balance of vendors prior to implementation of ERP in most of the account rendering units have not been recorded in respective vendor's sub-ledgers and recorded only in the vendor control account in the general ledger. However, subsequent payments to vendors against such opening balances have been recorded in the respective sub-ledgers. Consequently, we are unable to confirm the vendor wise balances outstanding as at the yearend as well the ageing of such balances which is required to be disclosed as per Schedule III of Companies Act, 2013.
29. Provision of salaries for employee transferred between account rendering units are not properly accounted in ERP at various account rendering units. The consequent impact of such non provision on the Statement of Profit and Loss account for the year is not ascertainable in the absence of information and explanations.

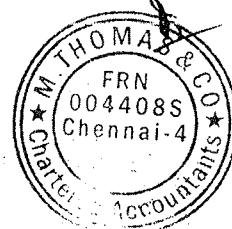
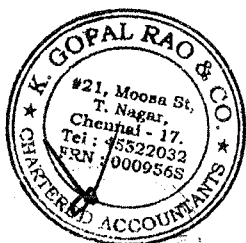


30. Belated payment surcharge payable amounting to Rs 5,421.26 Crores has not been provided for by the Company.

31. Reference is drawn to Note 51 - Contingent liabilities, wherein the Company is required to recognise and provide for the following liabilities in the books of account and the same has not been done:

- a) Impact of Frauds and Embezzlements detected in preceding years amounting to Rs 20.63 Crores,
- b) Water Cess payable to TN Pollution Control Board upto the year ended 31st March 2022 amounting to Rs 696.65 Crores,
- c) Lease rent payable to TN Forest department amounting to Rs 888.00 Crores,
- d) Lease rent payable to Port amounting to Rs. 158.02 Crores,
- e) Reference is drawn to Note 73 - Other notes regarding non-moving / obsolete stores amounting to Rs 53.88 Crores,
- f) Liability for default and delay in remittance of Tax Deduction liabilities under the Income Tax Act, 1961 amounting to Rs 8.81 Crores,
- g) Grade slippage bills received from coal vendor amounting to Rs. 16.60 Crores
- h) Balance of GST amount charged by M/s. BHEL for construction of SEZ project in Ennore amounting to Rs 122.07 Crores, after considering an amount of Rs. 70.83 Crores which was paid on Adhoc basis subject to the final decision to be taken by the board.

32. Reference is drawn to Note 58 regarding contract awarded to Lanco Infratech ("Lanco") by the Company and terminated due to non-performance, in respect of which bank guarantee amounting to Rs 723.00 Crores was invoked by the Company and the same was accounted as income in prior years. In the proceedings of Corporate Insolvency Resolution process initiated against Lanco, NCLT approved Rs 708.38 Crores against the Company's claims. In respect of the excess amount of Rs 14.62 Crores recovered through the bank guarantee invoked, the Company is required to provide for the excess amount to be refunded in the books of accounts. This has an effect of overstatement of retained earnings and understatement of current liabilities to that extent.



33. Reference is drawn to Note 20 - Current financial liabilities - Borrowings regarding a sum of Rs 23.04 Crores being short provision of penal interest upto the yearend on principal amount payable in respect of Ways and Means Advance of Rs 1,000 Crores obtained from the Government of Tamil Nadu. This has resulted in understatement of Other Financial Liabilities and interest expense under finance cost (Note 30) to that extent.

Statutory Liabilities

34. The staff wise balances of General Provident Fund (GPF)/Contributory Pension Scheme (CPS) as maintained in the physical registers/HR module in SAP does not reconcile with the books of account. In the absence of adequate information, the difference and the correctness of interest liability recognized in the books of account could not be confirmed. Further, in respect of CPS scheme, the recovery at the agreed proportion of 1/7th of total expense from TANTRANSO has not been recovered from them in accordance with the Company's policy of apportionment of employee liability.

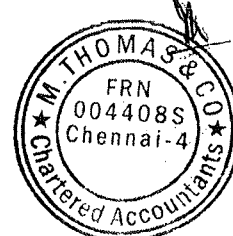
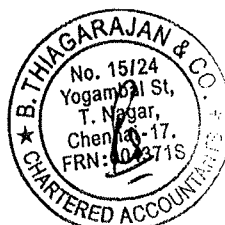
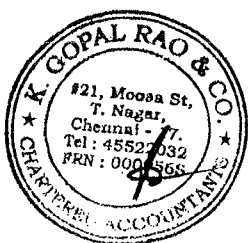
35. The Company's books of account have not been reconciled with the reported values of turnover and Input Tax Credit availed under the GST Act, the impact of which is not ascertainable as also the corresponding liability if any.

36. Payment towards Labour Welfare Fund recoveries have not been properly accounted in the books of account.

37. Provision for bonus and ex-gratia made in the books of account of various account rendering units do not correspond to statements and documents provided by the unit.

Deposit Contribution Works (DCW)

38. Reference is drawn to Note 25 - Revenue from operations, wherein an amount of Rs 1527.03 Crores (Previous year Rs 1618.35 Crores) has been recognised as income during the year under the head 'Income from other services provided to customers. This represents moneys collected from its consumers against cost of infrastructure and other works against which the Company has an obligation to perform.



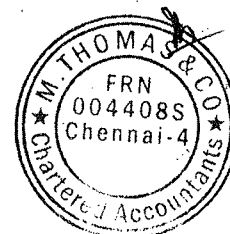
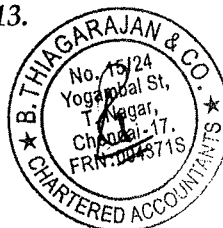
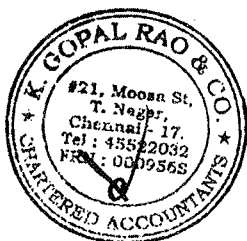
In the absence of information and explanations, we are unable to ascertain whether performance obligation have been completed by the Company in respect of such amounts recognised as income in accordance with recognition principles contained in Ind AS 115 - Revenue from contract with customers.

Others

39. *There are old balances of various asset and liability general ledgers whose values aggregate to Rs 1,826.51 Crores and Rs 9,048.80 Crores respectively as at the yearend appearing as legacy balances without having any movement in most of the account rendering units. These general ledgers balances have been categorised under various assets and liabilities in the Financial statements for the year ended 31st March 2022 in respect of which no information or explanations have been provided. Consequently, we are unable to confirm the accuracy of such asset and liability balances and whether there is any impact on the Statement of Profit and Loss for the year ended 31st March 2022.*
40. *Transactions relating to Co-generation facilities during the year have not been accounted in the books of accounts.*
41. *In Tirunelveli account rendering unit (EDC), in the previous year audited accounts an accounting entry for an expenditure amounting to Rs.420.88 Crores was made without proper approval which may have impacted the previous year audited financial statement and consequently the current year financial statement also.*
42. *Balance confirmation in respect of advance payments made to coal suppliers have not been provided.*

Statutory Compliance

43. *The Company does not comply with Provident Fund and Miscellaneous Provisions Act, 1952 as regards investment of the employees' contributions to various terminal benefit funds including Family Benefit Funds, General Provident fund and Contributory Pension Scheme with matching contributions by the Company in accordance with the Act.*
44. *The Company has not prepared and annexed a Consolidated Financial Statement of its accounts with Udagudi Power Corporation Limited, NTPC Tamilnadu Energy Company Ltd., (NTECL) and NLC Tamilnadu Power Ltd., (NTPL) which is not in accordance with Companies Act, 2013.*



Actuarial valuation

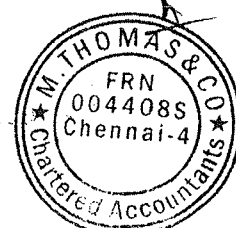
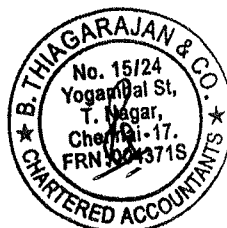
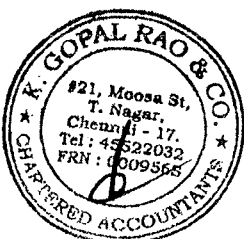
45. *In the absence of documents and information substantiating the validation of employees and pensioners master data and benefit paid against obligation as well as the assumption used for the valuation including salary growth rate, discount rate used, we are unable to confirm the completeness and accuracy of such data provided to the actuary for valuing gratuity liability, pension liability, earned leave liability, leave on private affairs liability. Consequently, we are unable to confirm the accuracy of provision for employee benefits.*
46. *The value of provision made for employee benefits by the Company in the books of account falls short by Rs 672.53 Crores as compared to the total liability required to be made as per the Company's policy of apportionment of employee liability 6at the rate of 6/7th of the total liability.*

Inter Company /Inter Unit

47. *As regards inter unit and inter-company balances with Tamil Nadu Transmission Corporation Limited (TANTRANSCO) and TNEB Limited,*
- a) *Reference is drawn to Note 24 regarding an amount of Rs. 4,137.91 Crores shown under other current liabilities (Previous Year Rs 693.61 Crores in Note 13 - Other Current Assets) representing unreconciled interunit balances.*
 - b) *Reference is drawn to Note 11 regarding unreconciled balance of Rs. 284.75 Crores with TANTRANSCO as at the year end.*

Schedule III - Companies Act, 2013

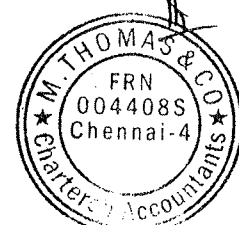
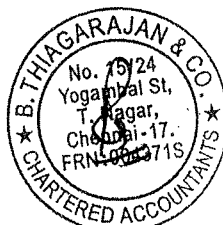
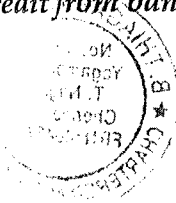
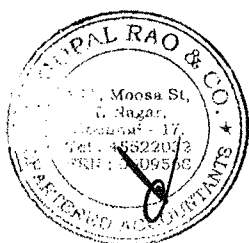
48. *The Company does not maintain a list of vendors who are categorised as MSME and registered under MSMED Act, 2006. Consequently, we are unable to ascertain whether the provisions of MSMED Act have been fully complied as regards transactions including settlement of dues within the time limits prescribed under that Act and payment/provision of prescribed interest for delayed settlements. The value of overdue and interest payable and the consequent impact on the Statement of Profit and Loss is not ascertainable in the absence of adequate information and explanations.*



49. *In the absence of information and explanations, we are unable to confirm whether trade receivable balances have been classified according to their tenure of outstanding and nature of dispute, if any, in accordance with Schedule III of the Companies Act, 2013.*
50. *In the absence of information and explanations, we are unable to confirm whether trade payable balances have been classified according to their tenure of outstanding and nature of dispute in respect of MSME vendors, if any, in accordance with Schedule III of the Companies Act, 2013.*
51. *Balances lying in Capital Work in Progress have not been classified according to their tenure in accordance with Schedule III of the Companies Act, 2013.*
52. *Information relating to intangible assets under implementation including time and cost overrun have not been disclosed in accordance with Schedule III of the Companies Act, 2013.*
53. *Disclosures relating to working capital limits obtained by the Company on the basis of security of current assets have not been disclosed in accordance with Schedule III of the Companies Act, 2013.*
54. *In the absence of information and explanation, we are unable to confirm whether disclosure relating to title deeds of land have been fully disclosed in accordance with Schedule III of the Companies Act, 2013.*
55. *Information relating to Registration of charges or satisfaction with Registrar of Companies has not been disclosed in accordance with Schedule III requirements.*
56. *Reasons for major variance (More than 25%) in disclosure of financial ratios have not been disclosed in accordance with Schedule III requirements.*

Borrowings

57. *Reference is drawn to Note 10 – Financial assets – cash and bank balances which include transactions during the year in cash credit from banks accounts and consequent balance as at the yearend have been grouped under the head balances with bank – on current account while the opening balance of cash credit from banks as at 1st April 2021 of Rs 5,860.82 Crores have been disclosed under Note 20 – Current financial liabilities – borrowings. Consequently, balances with bank – on account and cash credit from banks have not been disclosed correctly.*

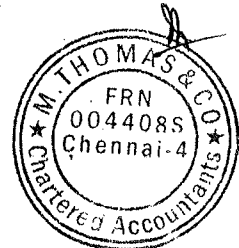
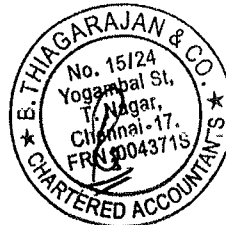
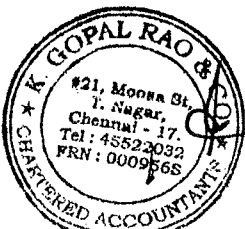


Finance Cost

58. Reference is drawn to Note 10 relating Finance cost - other borrowing cost is understated by Rs. 1.34 Crore due to short provision of interest on CPS/GPF balance as on 31st March 2022 resulting in understatement of liability and loss by Rs 1.34 Crores in respect of certain account rendering units,

Financial Assets

59. Reference is drawn to Note 9 - Financial assets - Trade Receivables, wherein Rs. 294.93 Crores representing amounts shown as due from Puduchery Electricity Department has not yet been written off in the books of account and consequently Trade receivable balances are overstated and loss understated to that extent,
60. In certain account rendering units, customer collections have not been properly applied towards their respective dues. Consequently, trade receivable balances appear in negative balances as at the yearend in the books of account of such units and we are unable to confirm the correctness of Trade Receivables balance for the Company as a whole.
61. Reference is drawn to Note 9 - Financial Assets - Trade receivables which includes unreconciled receivables from HT consumers of Rs 65.49 Crores (Previous Year Rs 65.49 Crores) and LT consumers Rs 1,932.39 Crores (Previous Year Rs 1,932.39 Crores). Further, we are unable to confirm whether proper reconciliation exercise for receivables from HT and LT consumers have been carried out during the year and the correctness of Trade Receivables balance as at the yearend.
62. In respect of certain account rendering units, imprest and temporary advance given to the employees are not adjusted on a timely basis due to delay in submission of bills and supporting documents by the employees. The consequent impact of non-settlement of advances on a timely basis on the Statement of Profit and Loss for the year ended is not ascertainable.
63. The balances of employee wise loans and advances maintained at the account rendering units do not match with the balance available in the books of accounts of the Company.
64. In many account rendering units, amounts prepaid are not properly adjusted and accounted in the books of account.



65. Reference is drawn to Note 11 - Other Financial Asset, regarding difference in unbilled revenue of LT service connections between billing software and books of account of a few account rendering units by Rs 179.16 Crores remains unreconciled and unexplained. The differences are on account of non-reversal of previous year end accrual entries as well as non-accrual of current year revenue in respect of a few account rendering units. This has resulted in the overstatement of both revenue from operations as well other financial assets.

Capital material consumption

66. Reference is drawn to Note 32 - Other expenses regarding a sum of Rs 30.63 Crores (Credit) relating to capital material consumed classified under Repairs and Maintenance - Plant and Machinery. In the absence of information and explanations, we are unable to confirm whether this results in the understatement of loss in the Statement of Profit and Loss and/or correctness of the CWIP balance as at the yearend.

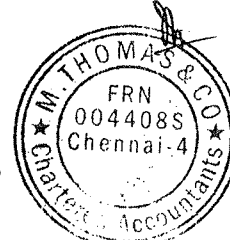
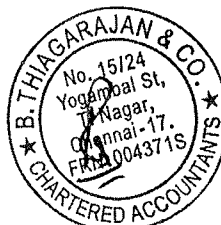
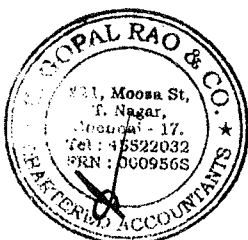
67. An amount of Rs 384.61 Crores representing capital materials has been transferred to CWIP balance without adequate supporting against each work order. Similarly, an amount of Rs 122.53 Crores representing revenue materials has been transferred to CWIP balance without adequate supporting against each work order. Consequently, we are unable to confirm the correctness of CWIP balance as at the yearend.

Depreciation

68. In most of the account rendering units, depreciation has not been provided in respect of legacy balances as well as additions during the year posted manually, impact of which cannot be quantified in the absence of information and explanations.

Grants

69. A sum of Rs 23.60 Crores representing grants received from World Bank in respect of Dam Rehabilitation and Improvement Project (DRIP) Scheme has been incorrectly accounted under inter unit accounts and not recognised in accordance with Ind AS 20 - Government Grants.

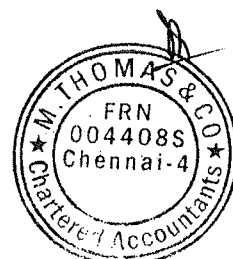
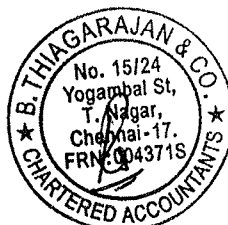
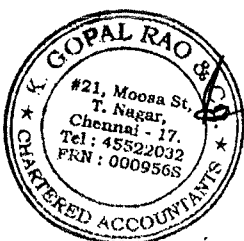


Cash/Bank

70. *Bank Reconciliation has not been done for many bank accounts at various account rendering units and Headquarters. Further, closing balance of banks in various account rendering units shows huge credit balance for which no information and explanations were provided.*
71. *At Headquarters, no entries have been accounted for payment made during the year for deductions towards LIC, GPF, society, PLI made from employees because of an ERP error. Consequently, bank balances remain unreconciled.*
72. *The collections from consumers through online payment gateways which are deposited into designated bank accounts have not been reconciled with books of account.*
73. *Cheques in transit, cheques on hand, stale cheque and uncleared cheques remain unadjusted in respect of which no information for subsequent realisations have been made available at various account rendering units. Further, collection cheques are appearing in stale cheque account at various account rendering units for which no information and explanations have been provided.*
74. *Balance of cash on hand shows huge balance in some account rendering units as at the yearend. Further, physical balance of cash and as per books of account remain unreconciled.*
75. *Balances in fixed deposits amounting to Rs 2,320.74 Crores as per confirmation of balance have not been reconciled with books of accounts*
76. *Reference is drawn to Note 10 – cash and cash equivalent, which comprises cash on hand Rs 32.45 Crores (net) and the balance represents imprest, cheques on hand, temporary advance which have been classified as cash on hand balance as at the yearend.*

Revenue

77. *Reconciliation of revenue between separate billing software and books of account has not been done. Consequently, the impact on both revenue and receivable balance at the yearend of certain account rendering units is not ascertainable.*



For instance, in Chennai South I account rendering unit, an amount of Rs 917.91 Crores pertaining to LT and HT have not been accounted in the books of account resulting in understatement of revenue and understatement of trade receivable balances.

78. Invoices raised for sale of fly ash, scrap and mill reject coal through a separate ZEN accounting software which are not captured in books of account at various account rendering units. Consequently, the impact on both revenue and receivable balance at the yearend of certain account rendering units is not ascertainable.

Purchase

79. In certain accounting rendering units, invoices for purchases of solar power have not been accounted properly during the year which has an impact on the Statement of Profit and Loss.

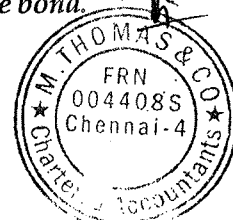
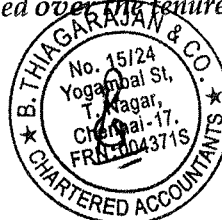
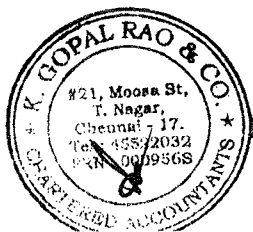
80. The Company has not accrued for the amounts due in respect of excess O&M expenditure, capital expenditure and additional profit earned by the NLC during the years from 2009-14 based on CERC orders passed with the applicable interest from the date on which the amount in dispute was payable/refundable.

Non-accrual of the above sum from the date of orders of the CERC has resulted in overstatement of trade payable and loss to the Company, the impact of which could not be quantified due to non-availability of relevant information and explanations.

Ind AS

81. As regards compliance with Ind AS 109 - Financial Instruments, the following non-compliances were noted:

- a) Concessional loans obtained from the government has not been measured as per the recognition and measurement principle laid as per Ind AS 109.
- b) Employee Loans of Rs 267.29 Crores has not been measured using the Effective Interest Rate as prescribed in the Ind AS 109.
- c) As per the current practice, the company applies a flat 2.5% on Trade receivable for the purpose of arriving at Expected Credit Loss (ECL). But there is no ECL framework/policy are in possession with management and no trend analysis were carried out in a way to validate the application of such 2.5%.
- d) Discount on issue of bonds has not been amortised over the tenure of the bond.



82. As regards compliance with Ind AS 116 -Leases, the Company has not measured the Right Of Use Asset and Liability as per the provisions contained in IND AS 116 - Leases with respect to the building taken on lease for the purpose of providing staff accommodation. Since the relevant details with respect to the lease is not provided to us, the financial impact of the same cannot be quantified.

83. As regards compliance with Ind AS 21 - Effect of Changes in Foreign Exchange rates, the Company has not measured the forex gain or loss as per the measurement principle laid down in the standard therein.

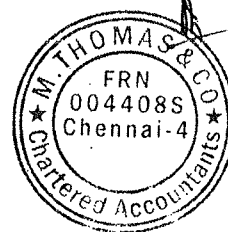
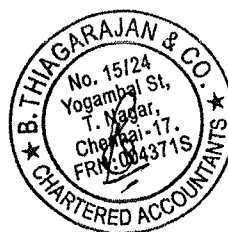
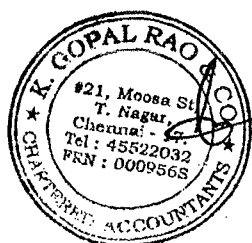
84. As regards compliance with Ind AS 105 - Noncurrent Assets held for sale, since the company does not have a proper system in place to identify and report the assets that are solely held for sale rather than future economic use, we are unable to comment on the compliance with respect to Ind AS 105.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of Matter

The Company has accumulated loss amounting to Rs 151,638.78 Crores. However, the accompanying financial statements have been prepared assuming that the Company will continue as a going concern since the company is carrying on its business operations and financial support has been assured by Tamil Nadu Government by G.O.(Ms).no. 38 dated 18.08.2021.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

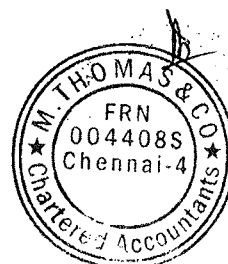
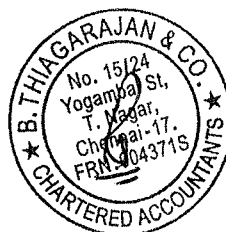
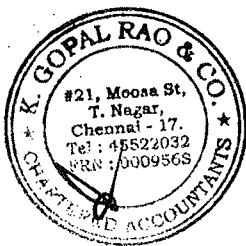
Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

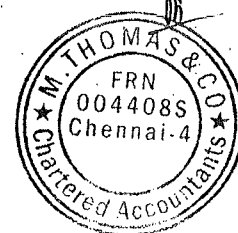
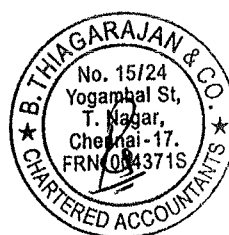
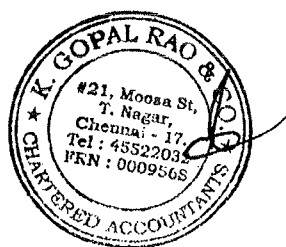


Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

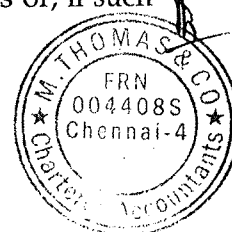
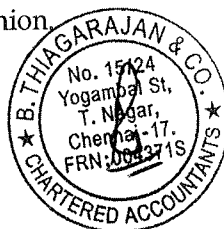
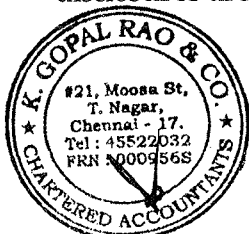


Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion.



Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

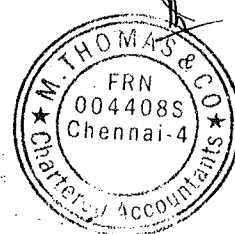
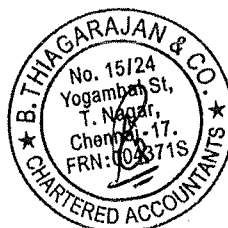
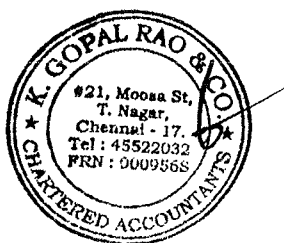
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

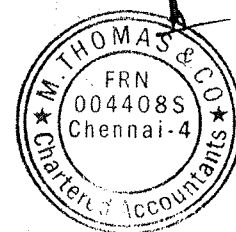
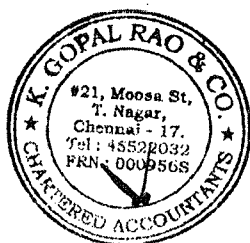
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

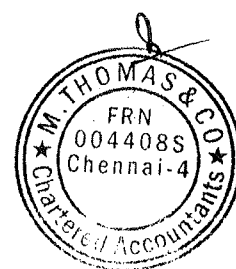
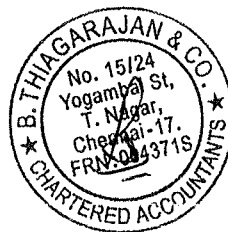
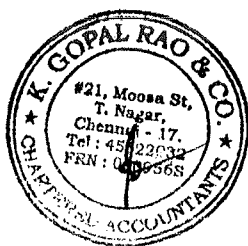


Report on Other Legal and Regulatory Requirements

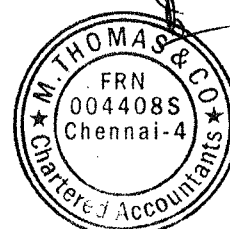
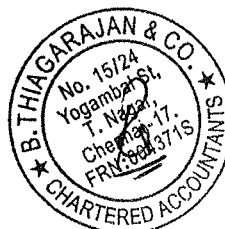
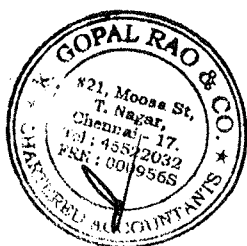
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books subject to the matters described in the Basis for Adverse Opinion paragraph.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account subject to the matters described in the Basis for Adverse Opinion paragraph.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except those observed above in the basis of forming adverse opinion paragraph.
 - e) The matters described in the Basis for Adverse Opinion paragraph and Emphasis of Matter Paragraph above, in our opinion may have an adverse effect on the functioning of the company.
 - f) Being a Government company and pursuant to Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of sub-section (2) of Section 164 of the act are not applicable to the company.
 - g) Adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.



- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a Modified Opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- i) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
- j) 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:
- Due to the possible effects of the matters (Whether Quantified or Otherwise) described in the Basis for Adverse Opinion paragraph above, we are unable to state whether the Company has adequately disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - The Company has not assessed any material foreseeable losses on long-term contracts and therefore has not made any provision there for, as required under the applicable law or accounting standards and the company has not entered into any derivative contracts.
 - There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.



- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 74 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 74 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. Since no dividend is declared or paid during the year by the company this clause is not applicable.



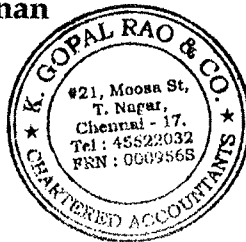
- k) "Annexure C" to this report carries our responses to the directions and sub-directions of the Comptroller & Auditor General of India issued under Section 143(5) of the Companies Act, 2013.

For K Gopal Rao & Co
Chartered Accountants
FRN:000956S

CA. Madan Gopal Narayanan
Partner

M. No. 211784

UDIN: 23211784BGVGQS4594

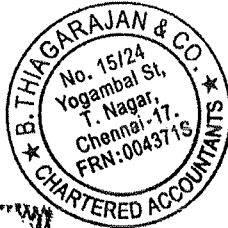


For B Thiagarajan & Co
Chartered Accountants
FRN:004371S

CA. Ram Srinivasan
Partner

M. No. 220112

UDIN: 23220112BGVQYH3491



For Khicha & Prabu Kesavan
Chartered Accountants
FRN:050108S

CA. S. Manivannan
Partner

M. No. 201633

UDIN: 23201633BGZDQT1687

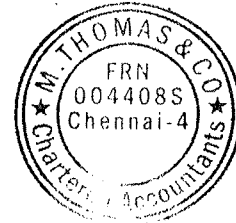


For M Thomas & Co
Chartered Accountants
FRN:004408S

CA. J P J Kamalesh
Partner

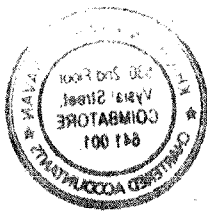
M. No. 201093

UDIN: 23201093BGXKXE8301



Place: Chennai

Date: 20.08.2023



K. Gopal Rao & Co
Chartered Accountants
New No.21, Old No.9/1
Moosa Street, T. Nagar,
Chennai – 600 017

Khicha & Prabu Kesavan
Chartered Accountants
No.530, Vysial Street, Second Floor,
Above Canara Bank,
Coimbatore - 641 001

B. Thiagarajan & Co
Chartered Accountants
No.24/15, Yogambal Street,
T. Nagar, Chennai – 600 017

M. Thomas & Co
Chartered Accountants
G11, Marina Square, 53, Santhome High
Road, Santhome, Chennai – 600 004

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

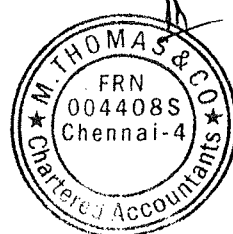
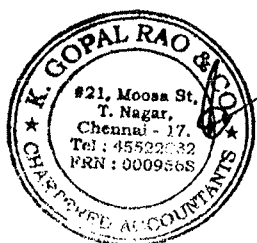
(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of even date.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of **TAMILNADU GENERATION and DISTRIBUTION COMPANY LIMITED** as of **March 31, 2022** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors 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 internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

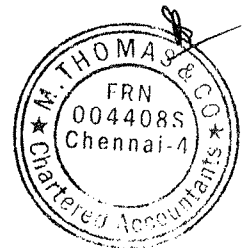
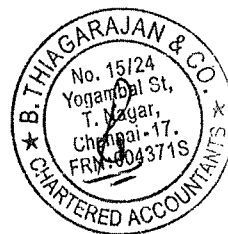
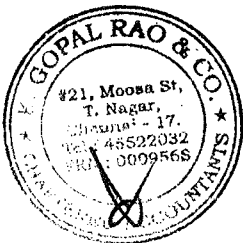


Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under section 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 effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

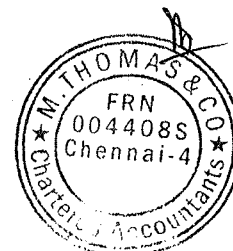
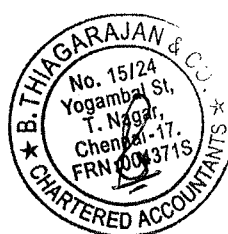
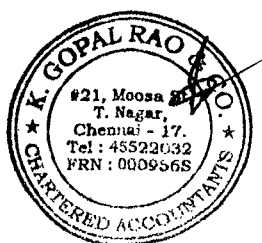
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records 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 expenditure of the company are being made only in accordance with authorizations of management and directions of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. 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 or procedures may deteriorate.

Adverse Opinion

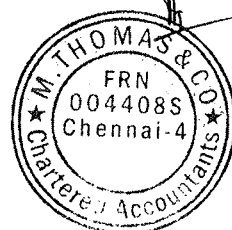
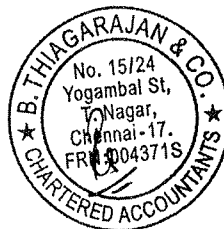
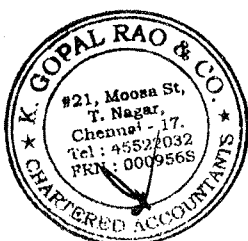
In our Opinion, to the best of our information and according to the explanations given to us, the Company does not have an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as at March 31, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".



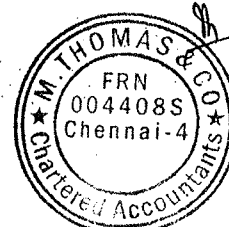
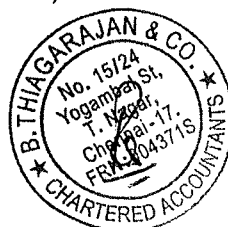
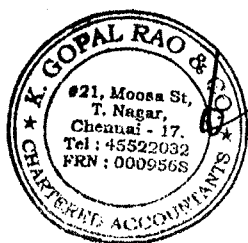
Basis of Adverse Opinion

The Company did not have an appropriate Internal Control over Financial Reporting in respect of the following aspects:

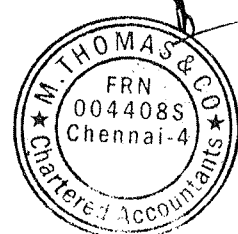
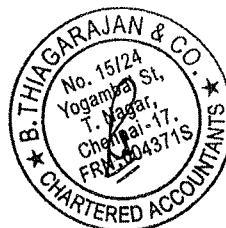
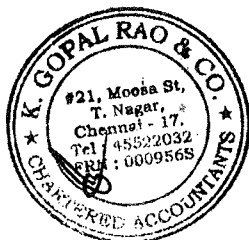
1. Ineffective supervision over the Company's Internal Financial Controls over financial reporting by those charged with governance.
2. Ensuring compliance with the applicable accounting standards regarding
 - a) validating the completeness and accuracy of cost, including the direct costs eligible for capitalisation, of Property, Plant and Equipment (PPE),
 - b) establishing a process of periodic verification of PPE and reconciling the same with the PPE register and books of account,
 - c) validating the correctness of classification of the PPE and intangible assets.
3. Absence of a comprehensive policy/circular relating to capitalisation of borrowing costs considering the requirements of Ind AS 23 - Borrowing costs.
4. Process of identifying, determining qualifying assets, work order wise, and related borrowing cost resulting in incorrect recognition of PPE/Capital Work In Progress (CWIP) and related expenditure. Similarly, assets created out of government grants and deposit contribution received from customers are not identified separately to enable depreciation computation as well exclusion from capitalisation of borrowing costs.
5. In many cases, assets of the company are capitalised on approval of corresponding work bills for payment/ financial closure of work orders which is after the date on which the assets are ready for use which is against criteria for capitalisation prescribed in Ind AS 16 - Property, Plant and Equipment, leading to delay in the recognition of assets.
6. Process of evaluating completeness and accuracy of transactions relating to impairment and derecognition of PPE based on the periodic verification and technical evaluations.
7. Internal financial controls prescribed over accounting and reconciling bank transactions not operating effectively in many account rendering units, potentially resulting in incorrect accounting and reporting of bank transactions and balances.



8. Process for identifying, recognizing, accounting, impact of physical verification and determining the obsolescence of inventory and related expenses for the year.
9. Process for accounting of inter-unit transactions and reconciliation balances thereon not operating effectively resulting in huge unreconciled balances in inter-unit accounts and resultant misstatement of account balances. The amount of unreconciled differences stated in Para 47 of the Basis for Adverse Opinion section indicates the depth of deficiency in internal financial control over financial reporting as regards inter unit transactions.
10. Manual posting of journal entries by Headquarters towards payment made to vendors on behalf of various account rendering units and not routing it through SAP ERP process leading to such entries not getting mirrored in account rendering units concerned and consequential effect on the vendor balances, being both unadjusted and unreconciled.
11. Lack of effective process and controls over assessment of the health of its investments to ascertain provisioning required for impairment, if any.
12. Absence of processes to reconcile material deficiencies identified between the balances as per Company's books of account and its group entities.
13. Lack of integration and reconciliation of various software and ERP modules for various functions such as revenue billing, payroll processing, material accounting, coal accounting, online collections with the Company's books of account, leading to manual intervention in respect of which internal controls are pervasively and persistently deficient.
14. Deficiency in supervision and control over online collections resulting in excess collections reported by banks.
15. Lack of evaluation of internal financial controls and risk management systems by the Company required under section 177(4) (vii) of the Companies Act, 2013.
16. Absence of the process of obtaining balance confirmation and reconciliation of loans and advances, deposits, party wise trade payable and receivable, Goods and Service Tax, Retentions, other financial liabilities and Co-Generation units.
17. Lack of internal audit system required by Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014.



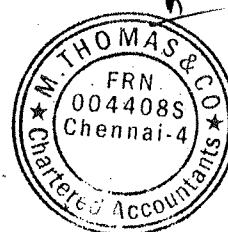
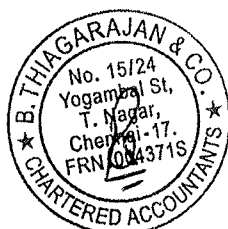
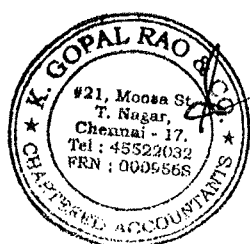
18. Non implementation of Risk Control Matrix (RCM) for various operational activities of the Company resulting in non-evaluation of adequacy of the internal control process.
19. Manual posting of accounting entries even after implementation of SAP ERP resulting in failure to ensure that the accounting as well as financial reporting is in accordance with generally accepted accounting standards, practices and principles.
20. Non-adherence to Delegation of Power matrix leading to possible unauthorised entries being recorded.
21. Following are the major issues observed during the audit on implementation of SAP ERP:
- a) There are no system controls in place to prevent or detect the omission or duplication or wrong accounting of transactions in the books of accounts.
 - b) There is no consistency in data entry since multiple general ledger codes are being used to account for one or similar type of transaction. Further, we noted that there is no updated accounting manual or implementation of procedures specified in the accounting manual.
 - c) There is no system in place to ensure the implementation of maker-checker procedure which is provided as part of the design in SAP ERP at the transaction level data entry. This is against the principles of segregation of duties which may adversely affect the accuracy of recording of transaction level data.
 - d) Data migration audit has not been performed to confirm the completeness and accuracy of data migrated to the newly implemented SAP ERP from the erstwhile Oracle ERP.
 - e) Based on information and explanations provided to us, we understand that details of employee wise advances and other applicable recoveries have been posted as at the SAP ERP implementation date. However, transactions during the year including employee wise fresh staff advances and recoveries made have not been updated. Further, information furnished by the account rendering units as per manual register maintained by them do not tally with general ledger balance of the unit.



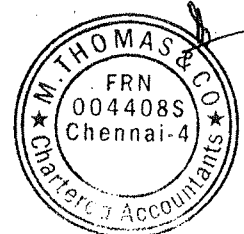
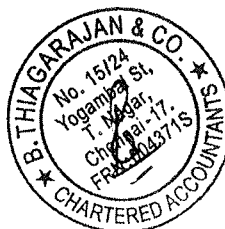
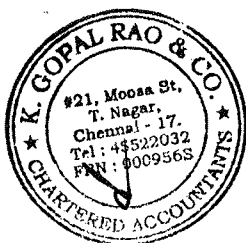
- f) In respect of certain general ledger accounts relating to loan principal and interest repayment etc., whose control for operations lie exclusively at Headquarters, accounting entries have been posted into such general ledgers by other account rendering units of the company erroneously evidencing the fact that there is no control to prevent or correct such errors.
- g) On perusal of details of opening pending work orders, SAP ERP module neither captured nor made it mandatory to capture the following details:
- Date of work orders
 - Status of work orders
 - Work order and year wise details in respect of opening Asset Under Construction (AUC)/ Legacy Internal Work Orders.

Further, while some of the work orders have been closed, the status in SAP ERP has not been updated resulting in such closed work orders not getting capitalisation in the books of account.

- h) On our verification of work order creation process, we observed that the work order number is not an auto generated number and is only manually entered in SAP ERP.
- i) On our verification of general ledger accounts pertaining to AUC and PPE, we observed several unexplained debit entries posted by other account rendering units. These type of errors results in overstating the figures in AUC and/or PPE accounts at the unit level. These discrepancies have not been explained and information have not been available for audit.
- j) In most of the account rendering units, there is no system in place to ensure the depreciation is charged respect of legacy balances as well as additions during the year posted manually. Further, whenever there is an alteration warranted in the date of capitalization due to correction of some errors, SAP ERP does not consider the altered date for the purpose of depreciation calculation.



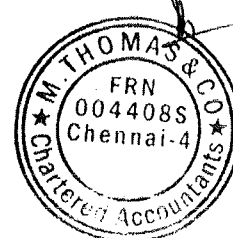
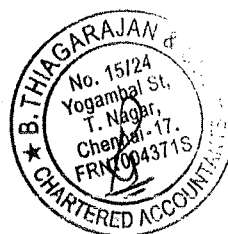
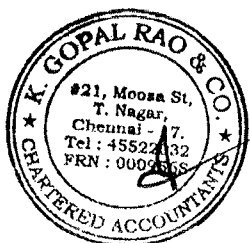
- k) Periodical settlement process in ERP as regards unmapped legacy work orders created prior to implementation of ERP has not been carried out properly. Consequently, amounts incurred during the year in respect of these legacy work orders remain in capital consumption and WIP upgradation accounts in various account rendering units which are classified as Other expenses - Repairs and Maintenance.
- l) There is no provision in SAP ERP for tracking physical inventory movement from the stage of receipt to consumption in respect of coal inventory.
- m) Individual vendor balances as well as ageing of vendors are not made available in SAP ERP.
- n) MSME mapping is neither available nor made mandatory in SAP ERP Vendor master. Consequently, we are unable to ascertain whether the provisions of MSMED Act have been fully complied as regards transactions including settlement of dues within the time limits prescribed under that Act and payment/provision of prescribed interest for delayed settlements.
- o) In several account rendering units, vendor invoices are accounted net of retention amounts and in effect retention amount recovered from contractors/vendors are not recorded as a liability at the time of receipt and recording of invoice.
- p) Payments made to vendors by the Headquarters on behalf of circles are not settled against vendor liability at the account rendering unit level.
- q) Material identified as scrap are not routed through SAP ERP - Material Management (MM) module. No details are available for scrap materials.
- r) Payroll processing during the year was carried out manually at each account rendering unit level upto certain period. Parallely, payroll processing through SAP ERP - Human Resource (HR) module for the company as whole for the year was again carried out which has resulted in double entries in both expenditure and liability accounts for a certain period.



- s) Certain account rendering units initiating inter unit transactions with other units are posting entries for such transactions to incorrect units who are unable to confirm and provide explanation as to the nature of such transactions.
- t) Separate billing software is maintained for recording customer wise revenue billing and customer deposit transaction which is not integrated with SAP ERP. Further, no reconciliation of revenue between such software and ERP has been carried out on real time basis. Consequentially we are unable to confirm the accuracy of revenue and customer deposited recognised.
- u) Separate ZEN accounting software is maintained for recording other income including sale of mill reject coal, sale of scrap and sale of fly ash which is not integrated with SAP ERP. Further, no reconciliation of other income between such software and ERP has been carried out on real time basis. Consequentially we are unable to confirm the accuracy of income recognised on such sales.

Material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the collective effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2022.



We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2022. These material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued an adverse opinion on the standalone financial statements.

For **K Gopal Rao & Co**
Chartered Accountants
FRN:000956S


CA. Madan Gopal Narayanan
Partner

M. No. 211784

UDIN: 23211784BGVGQS4594



For **Khicha & Prabu Kesavan**
Chartered Accountants
FRN:050108S



CA. S. Manivannan
Partner

M. No. 201633

UDIN: 23201633BGZDQT1687

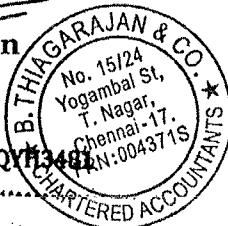


For **B Thiagarajan & Co**
Chartered Accountants
FRN:004371S



CA. Ram Srinivasan
Partner

M. No. 220112

UDIN: 23220112BGYQYH3487

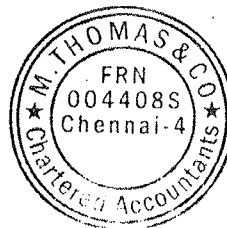


For **M Thomas & Co**
Chartered Accountants
FRN:004408S


CA. J P J Kamalesh
Partner

M. No. 201093

UDIN: 23201093BGXKXE8301





K. Gopal Rao & Co
Chartered Accountants
New No.21, Old No.9/1
Moosa Street, T. Nagar,
Chennai – 600 017

Khicha & Prabu Kesavan
Chartered Accountants
No.530, Vysial Street, Second Floor,
Above Canara Bank,
Coimbatore - 641 001

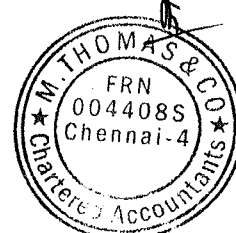
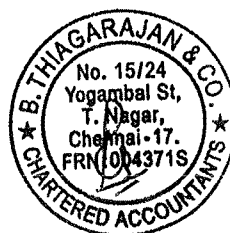
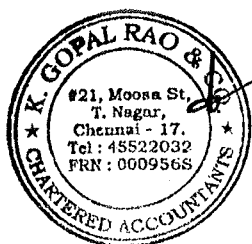
B. Thiagarajan & Co
Chartered Accountants
No.24/15, Yogambal Street,
T. Nagar, Chennai – 600 017

M. Thomas & Co
Chartered Accountants
G11, Marina Square, 53, Santhome High
Road, Santhome, Chennai – 600 004

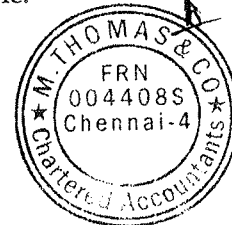
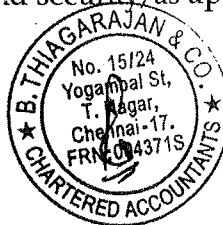
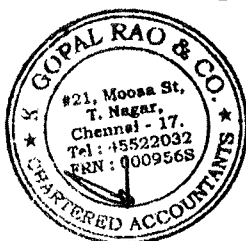
ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Audit Report of even date to the Members of Tamil Nadu Generation & Distribution Corporation Limited

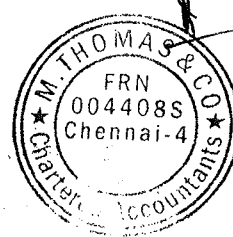
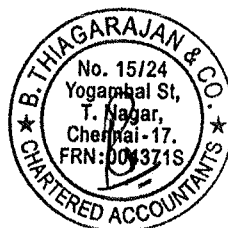
1. (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (right of use assets and investment property) except for additions made during the year.
(ii) The Company has not maintained proper records showing full particulars of intangible assets.
- (b) We are unable to comment on whether physical verification of PPE has been conducted during the year since no reports were made available to us for our verification.
- (c) As the complete details regarding title deeds of the immovable properties not been made available for our verification, we are unable to comment on the extent to which the title deeds pertaining to immovable properties are registered in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (and Right of Use assets) and intangible assets during the year.



- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company
2. (a) The inventory of material other than coal has not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies which could have arisen between physical inventory and book records. Reference is drawn to Note 67 of the financial statement, on physical verification of coal done at the North Chennai Thermal Power Station I wherein variation in coal stock between physical stores record and quantity arrived as per physical verification is said to be identified. However, the quantum of variation is not yet arrived at and declared by the company. Hence we are unable to comment on the impact of such variation in value of coal stock and the Statement of Profit and Loss account.
- (b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks or financial institutions based on the security of current assets and as per the information and explanation provided by the company half yearly stock and receivable statements are furnished to the bank or financial institutions and such statements are prepared on 21st of Sept/21st of March. No reconciliation is done for transactions during the period intervening the statement date and last dates of the respective month and consequently we are unable to confirm whether the inventory balances as per the statements furnished to the bank correspond with the balance as at the month end as per books of account.
3. The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.



5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of the section 148 of the Companies Act, 2013, in respect of the company and we are of the opinion that prima facie the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. (a) In our opinion, and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities subject to our comment on GST and TDS non-reconciliation given in the basis of adverse opinion paragraph. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable except in respect of the following:
- The due date for remitting E-tax collected from consumers is 30th of the subsequent month. But as on 31st March 2022, the outstanding balance payable represents more than one month balance. Due to non-availability of adequate information the exact amount and tenure of outstanding could not be quantified.
 - There is an undisputed pending demand of Rs.8.81 Crores towards non-remittance/delayed remittance of TDS under Income Tax Act, 1961 and consequential interest, fees and penalty.



- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for details of disputed Income Tax and other statutory dues pertaining to the Company and erstwhile TNEB before demerger is as under:

A. Demands under the Income Tax Act, 1961

i. Tamil Nadu Electricity Board (TNEB)

Assessment Year	Financial Year	Status of Assessment Order	Total Demand (Rs. In Crores)
2006-07 [u/s.143(3)]	2005-06	Hon'ble ITAT/Chennai dismissed the appeal vide order dt 28 th Feb 22. TANGEDCO had preferred an appeal before the Hon'ble High Court of Madras on 05.07.2022.	11.39
2006-07 [u/s.263]	2005-06	Appeal filed against the CIT/Appeals order dated:06/08/2018	617.83

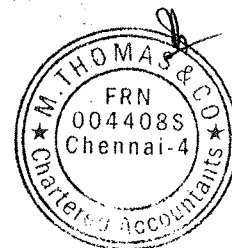
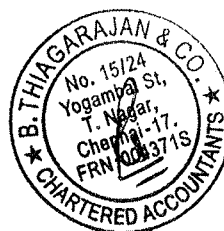
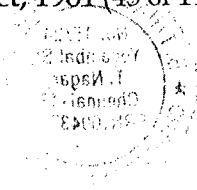
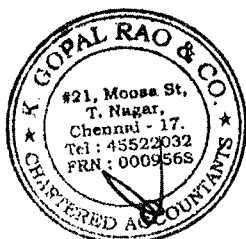
ii. The Company

Assessment Year	Financial Year	Status of Assessment Order	Total Demand (Rs. In Crores)
2015-16	2014-15	Commissioner/Appeals has issued an order on 07.08.2019 partially allowing TANGEDCO's Appeal. For the disallowance portion, TANGEDCO has preferred an appeal before the Hon'ble Income Tax Appellate Tribunal/ Chennai.	1891.88
2015-16 (u/s.147)	2014-15	TANGEDCO has appealed before the CIT/Appeals/NFAC against the Assessment order dt.30.03.2022	191.69
2016-17	2015-16	Commissioner/Appeals has issued an order on 07.08.2019 partially allowing TANGEDCO's Appeal. For the disallowance, TANGEDCO has preferred an appeal before the Hon'ble Income Tax Appellate Tribunal/Chennai.	2281.40
2017-18	2016-17	TANGEDCO has appealed before the CIT/Appeals/Chennai against the Assessment order dt.30.12.2019. Faceless hearing is under progress.	3324.44
2018-19	2017-18	Assessment Order issued by DCIT / National e-assessment Centre / Delhi on 17.04.2021. TANGEDCO has appealed before the CIT/Appeals/Chennai against the Assessment order dt.17.04.2021.	346.51

- B. Service Tax on disposal of fly ash to the extent of Rs.2.15 crores is disputed in appeal before CESTAT.

- C. CEGAT deposit of Rs. 0.35 crores from 1991 onwards is kept pending for refund from Central Excise Department without proper follow up.

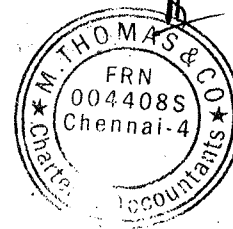
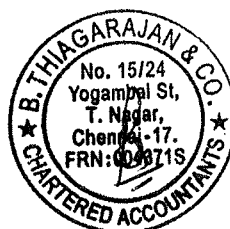
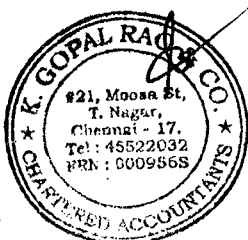
8. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.



9. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon, except for the below:

Nature of borrowing, including securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid till the date of audit report	Remarks, if any
Term Loan	TNPFC	49.31 lakhs	Interest	6 Days	-

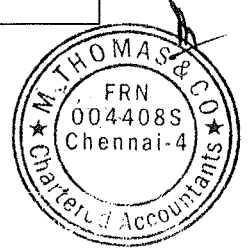
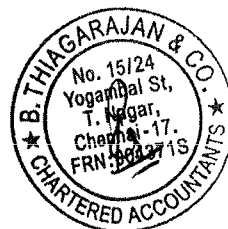
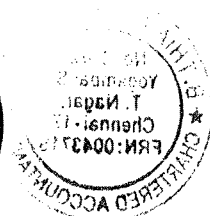
- (b) According to the information and explanations given to us including presentation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) Sufficient appropriate audit evidence regarding the utilization of amounts raised by way of term loans has not been provided to us. Consequently, we are unable to comment as to whether these have been applied for the purposes for which they were obtained.
- (d) Sufficient appropriate audit evidence regarding the utilization of amounts raised by way of short-term loans for long term purposes has not been provided to us. Consequently, we are unable to comment as to whether these have been applied for the purposes for which they were obtained.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.



(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) As informed by the company, no cases of fraud by the company are reported. With respect to fraud on the company by its officers or employees the nature and amount involved are listed below:

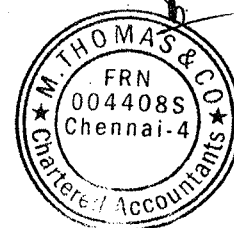
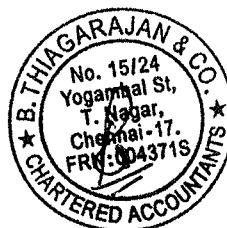
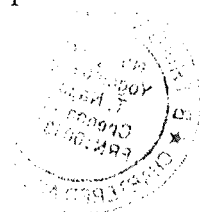
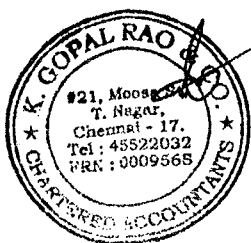
S No	Description of cases	Circle/Department	Amount in ₹	Status
1.	Misusing cheques and misappropriation of board money	Tirunelveli EDC	15,50,012	Final order issued action taken
		Virudhunagar EDC	85,91,455	DP enquiry completed
		Cedc/Central	21,27,062	Show cause notice issued
		Cedc/West	3,04,612	Final order issued action taken
		Perambalur EDC	93,20,847	Removed from Service and charge filed
		Krishnagiri EDC	4,67,70,000 #	DP enquiry completed
		Thiruvannamalai EDC	1,77,90,053 #	Final order issued action taken
		Palladam Circle	99,45,319	case is pending in Judicial Magistrate Court, Palladam
		Other	3,04,612	Charge memo issued
		Thiruvannamalai EDC	84,93,000	complaint register in police
		Revenue Section	3,73,743	case is pending in Judicial Magistrate Court, Namakkal
		Palladam Circle	11,91,442	Case pending in Hon'ble Court, Palladam
		Assistant (Accounts), Cash Section	1,79,11,000 #	Civil suitcase has been appealed in the Hon'ble High Court/Madras
2.	The Section Officer (Assistant Engineer/Junior Engineer) had taken the reading from the LTCT Service Connection wrongly	C, E, D Tirunelveli Region	1,47,78,223 #	Disciplinary action initiated against all the officials.
3.	Regularization of leave period	Tirunelveli EDC	1,99,586	Preliminary Enquiry completed
4.	Negligence of duty in the billing work revenue loss	Chennai EDC/South-II	40,82,274	Charge framed enquiry pending
5.	Negligence of duty in the collection work	Chennai EDC/South-II	3,19,360	Charge framed enquiry pending



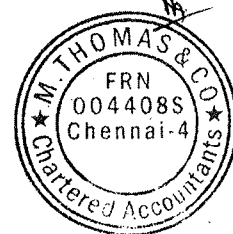
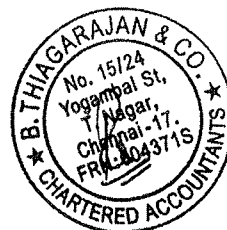
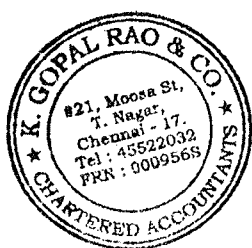
S No	Description of cases	Circle/Department	Amount in ₹	Status
6.	Fraud in Transformer stores	CE/D/Madurai	40,76,991	Charge framed final not yet passed
7.	Okhi cyclone EB post loss	CE/D/Tirunelveli	11,92,096	Charge framed enquiry pending
8.	55 types of clamps purchase unnecessarily (37,413 nos)	Tiruppathur EDC	5,06,85,128 #	Charge framed enquiry pending
9.	Prepared Bogus bills by claiming K2 agreement	Orathanadu section	1,53,633	Charge framed enquiry pending
10.	Theft of Zebra conductor and control cables	GCC Salem	1,32,500	FIR Filed
11.	Allegation against effecting service connection and DCW works	Reveune Department	5,16,730	Enquiry report pending from VO
12.	Inspection Report - others	Villupuram EDC Cuddalore EDC Dharmapuri EDC	6,16,922	Charge framed enquiry pending

with respect to the reported instance of fraud which involves or is expected to involve individually, an amount of rupees one crore or more, the same were not reported by the management in accordance with section 143(12) of the Companies act 2013.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) In the absence of proper confirmation and documents from the management we are unable to comment whether any whistle-blower complaints were received by the Company during the year.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. According to the information and explanations given to us and on the basis of examination of the books of accounts and records, we report that the transactions with related parties are in compliance with the provisions of Sections 177 & 188 of the Companies Act, 2013 as applicable and the details have been disclosed in the financials statement as required by the applicable accounting standards except as reported in the basis for Adverse opinion in the main Audit Report.



14. The Company does not have an internal audit system as required under section 138 of the Act. Consequently, reporting under Clause 3(14)(b) is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with the directors or persons connected with him. Hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
17. The Company has incurred cash losses in the current and immediately preceding financial years amounting to Rs. 5320.18 Crores and Rs. 9169.21 Crores respectively
18. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 66 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



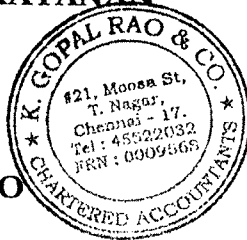
20. According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

For **K GOPAL RAO & CO**
Chartered Accountants
FRN:000956S

CA. MADAN GOPAL NARAYANAN
PARTNER

M.NO.211784

UDIN: 23211784BGVGQS4594



For **B THIAGARAJAN & CO**
Chartered Accountants
FRN:004371S

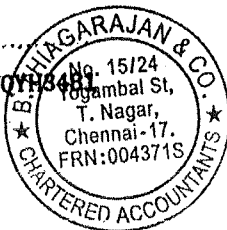
CA. RAM SRINIVASAN
PARTNER

M.NO.220112

UDIN: 23220112BGYQYH8481

Place: Chennai

Date: 30.08.2023



For **KHICHA & PRABU KESAVAN**
Chartered Accountants
FRN:050108S

CA. S. MANIVANNAN
PARTNER

M.NO.201633

UDIN: 23201633BGZDQT1687

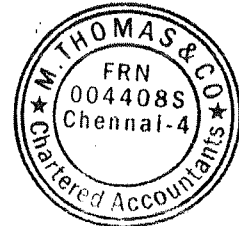


For **M THOMAS & CO**
Chartered Accountants
FRN:004408S

CA. J P J KAMALESH
PARTNER

M.NO.201093

UDIN: 23201093BGXKXE8301



K. Gopal Rao & Co
Chartered Accountants
New No.21, Old No.9/1
Moosa Street, T. Nagar,
Chennai – 600 017

Khicha & Prabu Kesavan
Chartered Accountants
No.530, Vysial Street, Second Floor,
Above Canara Bank,
Coimbatore - 641 001

B. Thiagarajan & Co
Chartered Accountants
No.24/15, Yogambal Street,
T. Nagar, Chennai – 600 017

M. Thomas & Co
Chartered Accountants
G11, Marina Square, 53, Santhome High
Road, Santhome, Chennai – 600 004

Directions issued under Section 143 (5) of the Companies Act, 2013

1. Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any may be stated.

Reply:

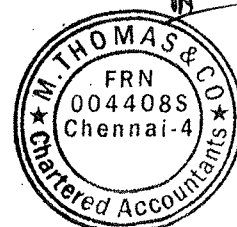
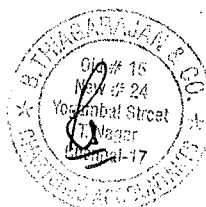
Yes, The Company has implemented ERP/SAP during the year. Accounting transactions have been done through ERP process and also by way of manual journals including payment entries. In addition, the billing software and Zen Billing system are not integrated with the ERP. Further, no proper reconciliation has been made for posting the entries from such systems maintained outside the ERP.

The lapses noted in the implementation of ERP have also been reported in our basis for adverse opinion forming part of our Internal Control over Financial Reporting (ICFR) report.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).

Reply:

Based on information and explanations received, we understand that there has been no restructuring of an existing loan or waiver/write off of debts/loans/interest during the financial year.



3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.

Reply:

Based on information and explanations received, we understand that the fund received from Central and State agencies for specified schemes are maintained in the dedicated bank accounts. However, utilization certificates have not been furnished for audit and hence we are unable to confirm the proper utilisation of funds received as per its terms and conditions. Further, scheme wise financial statements are not prepared.

Sub-directions issued under Section 143 (5) of the Companies Act, 2013

1. It may be verified and stated

- (i) whether Section 131 of the Companies Act - Voluntary Revision of financial statements or Board's report and the National Company Law Tribunal Rules, 2016 have been adhered to by TANGEDCO while revising the financial statements.

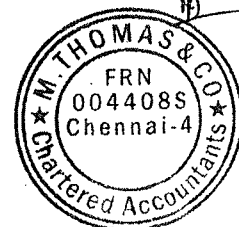
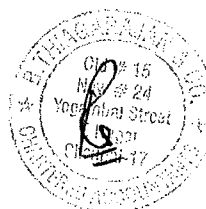
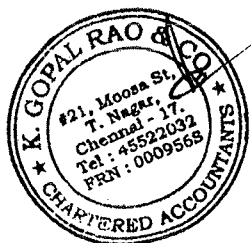
Reply:

The Company has complied with the requirements of Section 131 of the Companies Act - Voluntary Revision of financial statements or Board's report and the National Company Law Tribunal Rules, 2016 while revising the financial statements, except in respect of the FY 2020-21 the Company is in the process of filing the revised financial statements approved in the general meeting with the ROC.

- (ii) whether the Company has complied with the provisions of National Financial Reporting Authority (NFRA) Rules, 2018.

Reply:

As per the provisions of NFRA Rules, 2018, the Company has not filed Form NFRA -1 regarding coverage under NFRA and appointment of auditors within the time limit prescribed under NFRA rules.



- (iii) whether the Company claims and accounts various tariff related subsidies according to the orders of TNERC. In case of any deviation in methodology, the impact on the financial statements may be reported.

Reply:

The entire subsidy received based on TNERC orders has been credited under one account 'Revenue Grant Subsidy - Government' and has not been transferred to the respective consumer tariff heads.

- (iv) whether the Company has complied with the provisions of Companies Act, 2013 and adopted the applicable accounting framework and Ind AS.

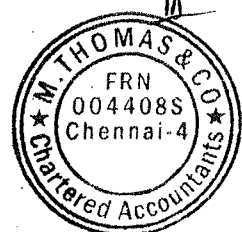
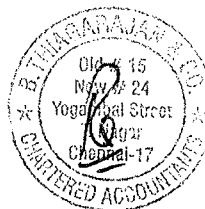
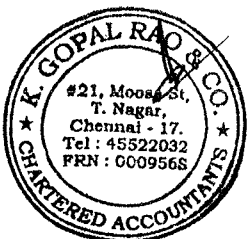
Reply:

We have examined the Secretarial audit report dated 28th September 2022 and noted that the Company has not complied with the following provisions of Companies Act, 2013:

- a) Appointment of independent director
- b) Constitution of Nomination and Remuneration Committee
- c) Deviation in the constitution of audit and CSR committee
- d) Appointment of internal auditor
- e) Filing of e-form MGT-14 for appointment of secretarial auditors for the Financial Year 2021-22
- f) Filing of creation, modification and satisfaction of certain charges
- g) Regulation 9, 13 and 14 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 in respect of debt securities issued by the Company.

Additionally, the Company has not complied with the requirement to present Consolidated Financial Statements.

Non-compliance IND AS and accounting framework have been reported in our main audit report contained in the Basis of Adverse Opinion Paragraphs.



- (v) whether the fixed assets registers were maintained properly and updated as on date. Further, it may also be reported whether the physical verification of assets was carried out as on 31.03.2022 or at regular intervals.

Reply:

The balance as per Property, Plant and Equipment (PPE) Register maintained in SAP/ERP AR01/02 module has not been reconciled with the balance as per books of account. We are unable to comment on whether physical verification of PPE has been conducted during the year since no reports were made available to us for our verification. Further, the Company does not have any policy or programme for physical verification of its PPE.

- (vi) whether all the Capital works completed were transferred to fixed assets head. If not so transferred, please state the impact of the same.

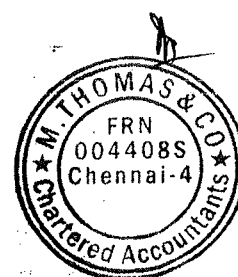
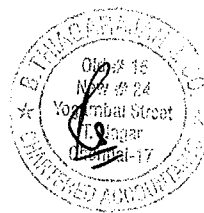
Reply:

Balance of CWIP as on 31st March 2022 includes value of work completed but pending to be capitalised. Further, CWIP balance also includes completed work orders that have been considered as part of PPE at the time of transition to Ind AS.

Further, work order wise details, for both legacy and new work orders created post SAP ERP implementation, including:

- Work order numbers,
- Sanctioned date, start date, completed date, capitalised date,
- Material and labour cost charged upto 31st March 2022,
- Interest During Construction and employee cost (Overheads) charged upto 31st March 2022, and
- Status of work orders

in respect of entire CWIP balance of Rs 42,847.23 Crores as at 31st March 2022 has not been made available and therefore, we are unable to comment on the impact of the same.



(vii) **Whether the expenses for long term employee benefits have been properly allocated among the employees deployed in TANGEDCO & TANTRANSCO.**

Reply:

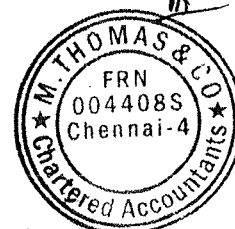
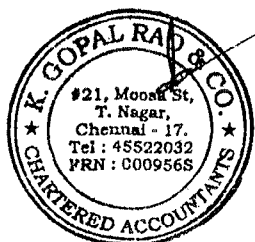
The value of provision made for post-employment benefits including gratuity, pensions, leave encashment by the Company in the books of account falls short by Rs 670.18 Crores as compared to the total liability required to be made as per the Company's policy of apportionment of employee liability at the rate of 6/7th of the total liability.

(viii) **whether the Company has a proper system for accounting of General Provident Fund and Contributory Pension Scheme in respect of Employee Benefits.**

Reply:

The staff wise balances of General Provident Fund (GPF)/Contributory Pension Scheme (CPS) as maintained in the physical registers/HR module in SAP does not reconcile with the books of account. In the absence of adequate information, the difference and the correctness of interest liability recognized in the books of account could not be confirmed.

Further, in respect of contribution to CPS scheme, the recovery from TANTRANSCO at agreed proportion of 1/7th of the total expense has not been recovered from them.



- (ix) whether the company has a proper system for reconciliation of quantity/quality of coal ordered and received and whether the grade of coal, moisture content and demurrage charges paid are recorded correctly in the books of account. In case of shortage of coal noticed, whether the same have been properly represented in the Financial Statements.

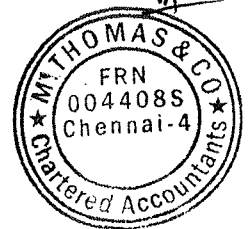
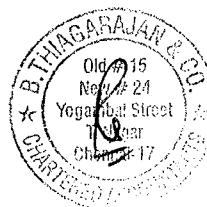
Reply:

As per the explanation provided by the company, with respect to the quantity of coal ordered, the reconciliation is being regularly carried out with respect to the Railway receipt copy, bill of lading copy and handling contractors claims and related recovery for any shortage are being made from the subsequent bills of handling contractor as per contract terms. Further stones received from coal receipt, sizing more than 250mm thickness are being recovered from the coal suppliers as per fuel supply agreement (FSA) and with respect to the quality of coal received against the ordered quantity, sample tests are being conducted for every despatch with respect to grade of coal, moisture content, other quality aspects and recoveries are effected for the variations from the coal suppliers as per FSA. However, sufficient audit evidence was not made available to us to ensure the correctness of the system followed by the Company.

In addition, the shortage of coal based on the weighment / survey report, an amount of Rs 152.83 Crores being difference between value of physical inventory and books at the respective account rendering units still forms part of inventory balance as at the year end and no proper information and explanations were provided for retaining the above value as part of inventory.

Further, Conveyance loss and operational loss of coal inventory has not been ascertained and accounted at North Chennai Thermal Power Station 2, value of which is not ascertainable.

In respect of grade slippage bills received from coal vendor for upward grade variation amounting to Rs 16.60 Crores, the company has not provided the liabilities in the books of accounts.



- (x) whether the volume of coal stockpiles and bulk density of coal are measured by adopting uniform method across Thermal Power Stations. Cases of discrepancies in this regard may be reported.

Reply:

The total quantity of Coal in MT at the yard is normally stored in the Trapezoidal prism shape at various locations and the sample calculation of weight per M3 (cubic metre) is obtained based on the sample (at least 3 samples) of coal collected from various locations of the yard. Thus, the density of Coal is arrived at the unit of MT / M3. The total quantity of Coal (MT) stored in various locations of the Stock yard in the Trapezoidal prism shape is calculated by multiplying the Total volume of Trapezoids (calculated) with arrived density as mentioned above. This methodology has been uniformly adopted across the Thermal Power Stations. We have not come across any discrepancies in this regard.

- (xi) whether shortage of coal noticed have been properly accounted and disclosed.

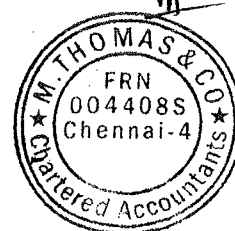
Reply:

In respect of coal inventory, an amount of Rs 152.83 Crores being difference between value of physical inventory and books at the respective account rendering units still forms part of inventory balance as at the yearend. No proper information and explanations were provided for retaining the above value as part of inventory.

- (xii) whether the reconciliation of receivables and payables between TANGEDCO and TANTRANSCO has been completed. The reasons for differences, if any, may be examined and stated.

Reply:

Reconciliation of receivables and payables between TANGEDCO and TANTRANSCO has not been completed and is still pending since its inception.



- (xiii) whether proper provisioning towards unutilized banked energy has been done. The reasons for differences, if any, may be examined and stated.

Reply:

Yes, proper provisioning is made towards unutilized banking energy wherever it is applicable.

- (xiv) whether the power purchased during the year was accounted correctly, and necessary liabilities were provided for the cases pending payment. Further, proper accounting of the prior period expenses in the current year in respect of purchase of power may be verified.

Reply:

In certain accounting rendering units, invoices for purchases of solar power have not been accounted properly during the year which has an impact on the Statement of Profit and Loss.

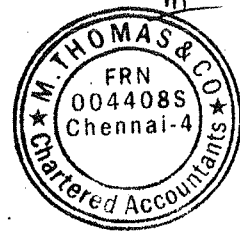
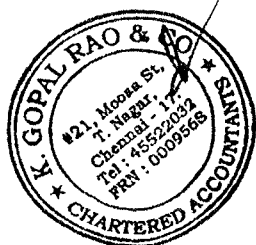
- (xv) whether Materials Cost Variance (MCV) relating to capital items has been charged to fixed assets /capital work in progress for completed works/capital work in progress at EDC level.

Reply:

Upon transition to Ind AS, all opening balances relating to material cost variance account have been transferred to opening retained earnings.

Standard costing system dispensed with. Weighted average cost based on actual cost has been adopted.

However, entries are still being passed in ERP to account of material cost variance and in respect of certain account rendering units, there are transactions wherein material cost variance have been accounted. An amount of Rs 17.70 Crores pertaining to material cost variance has been recognised as an expenditure in the Statement of Profit and Loss during the year in respect of which no explanation and information have been provided as regards the accounting treatment as well as cost attributable to closing inventory.



(xvi) whether there is a proper system of accounting in respect of Legal and Statutory payments. Instances of delayed filing/Non-filing of Statutory returns may be reported.

Reply:

There is no proper system of accounting with respect to legal and statutory payments. We have noted several instances of unadjusted balances outstanding including GST liability, TDS, etc.

As regards delayed filing/non-filing of statutory returns, we noticed the following instances:

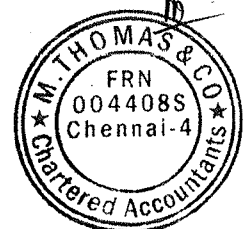
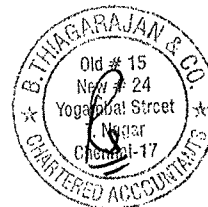
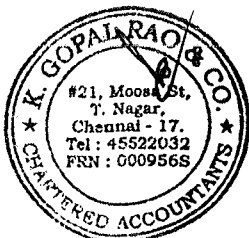
- a) GST annual returns
- b) Certain delays and non-filing of companies act related forms and returns as stated in point 4 above.

(xvii) whether the charges such as development charges, self-financing by agricultural consumers by way of reimbursement of capital infrastructure already created have been properly accounted.

Reply:

The development charges have been recognised as income during the year under the head 'Income from other services provided to customers. This represents moneys collected from its consumers against cost of infrastructure and other works against which the Company has an obligation to perform.

In the absence of information and explanations, we are unable to ascertain whether performance obligation have been completed by the Company in respect of such amounts recognised as income in accordance with recognition principles contained in Ind AS 115 – Revenue from contract with customers.



2. It may be stated whether any report vide Form ADT-4 to the Central Government u/s 143(12) of the Companies Act, 2013 as per the NFRA Circular No. NF25013/2/2023 dated 26.06.2023 has been given by the Statutory Auditors. If yes, a detailed write-up on the issues reported may be furnished. If not, justification for not furnishing such a report may be expressly furnished.

Reply:

During the audit, we have not come across any instance of frauds other than the fraud noticed/reported by the management as reported in Clause 11 of CARO 2020. However, with respect to the reported instance of fraud which involves or is expected to involve individually, an amount of rupees one crore or more, the same were not reported by the management in accordance with section 143(12) of the Companies act 2013.

3. In respect of the Thermal Power Stations under the Company (Tuticorin Thermal Power Station, Mettur Thermal Power Station, North Chennai Power Station and Ennore Thermal Power Station), compliance of the various Pollution Control Acts and the impact thereon (including policy for utilisation and disposal of ash) may be reviewed and reported.

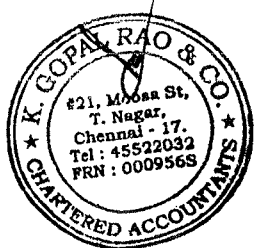
Reply:

Thermal Power Stations are taking all the steps to comply with the norms stipulated by GOI and the units are keeping track of the status of steps taken to comply with the norms. However, we are not provided with renewal licenses from the Pollution Control Board to ensure compliance with norms as per the Pollution Control Acts.

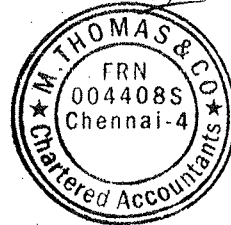
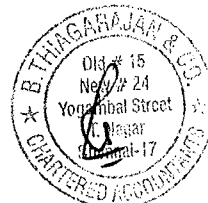
4. The costs incurred by the Company on abandoned projects and the amount written off regarding the same may be verified and reported.

Reply:

No projects have been reported to be abandoned during the financial year. -



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5. The efficacy of the system of billing and collection of revenue by the company may be reviewed and reported.

Reply:

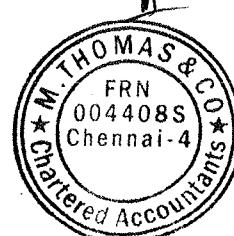
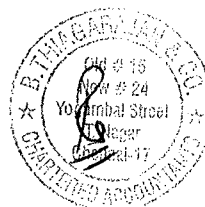
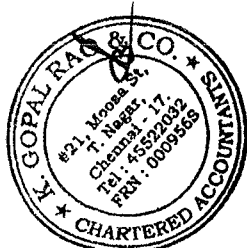
Reconciliation of revenue between separate billing package and books of account has not been done. For instance, in Chennai South I account rendering unit, an amount of Rs 917.91 Crores pertaining to LT and HT have not been accounted in the books of account resulting in understatement of revenue and understatement of trade receivable balances.

Similarly, invoices raised for sale of fly ash, scrap and mill reject coal through a separate ZEN accounting software which have not been captured in books of account at various account rendering units.

6. Purchase of Energy Saving Certificates for the thermal stations and gas turbine stations may be verified and it may be stated whether the provisioning in this regard is done properly.

Reply:

For the PAT Cycle II (2016-19), energy saving certificates have been purchased for Tuticorin TPS, Kuttalam and Valuthur Gas TPS. Apart from this, no provisions have been made for the purchase of energy saving certificate for the thermal station and gas turbine station.



7. Confirmation of balances from Debtors/ Creditors may be obtained and verified. In case of non-verification of the same, specific reasons may be stated.

Reply:

The balance of vendors prior to implementation of ERP in most of the account rendering units have not been recorded in respective vendor's sub-ledgers and recorded only in the vendor control account in the general ledger. However, subsequent payments to vendors against such opening balances have been recorded in the respective sub-ledgers. Consequently, we are unable to confirm the vendor wise balances outstanding as at the yearend.

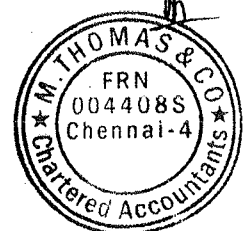
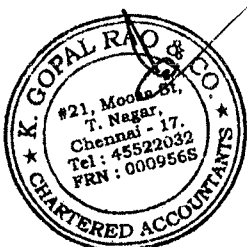
Separate billing software is maintained by the Company in respect of services rendered to its customers. Customer wise billing and outstanding details are available in the separate billing package. However, the reconciliation of revenue between separate billing package and books of account has not been done and therefore we are unable to confirm the customer wise balance outstanding as at the year end.

Further, there is no process followed by the Company to independently obtain confirmation and perform reconciliation of balances from both vendors and customers.

8. Impact of GST on the assets transferred between TANGEDCO and TANTRANSCO may be analyzed and reported.

Reply:

GST is not charged on the assets transferred between TANGEDCO and TANTRANSCO.



9. Accounting of DCW works and depreciation on the same may be reviewed. Noncompliance to Ind AS, if any, in this regard may be reported.

Reply:

An amount of Rs 1527.03 Crores (Previous year Rs 1618.35 Crores) has been recognised as income during the year under the head 'Income from other services provided to customers. This represents moneys collected from its consumers against cost of infrastructure and other works which the Company is obligated to perform on their behalf. In the absence of information and explanations, we are unable to ascertain whether performance obligations have been completed by the Company in respect of such amounts recognised as income in accordance with recognition principles contained in Ind AS 115 - Revenue from contract with customers.

10. The implications of all schemes (UDAY, DDUGY. IPDS etc.) in the accounts may be analyzed and a scheme-wise report may be furnished.

Reply:

The grant received in respect of schemes namely UDAY, DDUGJY, IPDS, RGGVY and DRIP are treated as deferred revenue in accordance with Ind AS 20 - Government Grants. The amount to the extent of expired grant period is transferred to Statement of Profit and Loss and balance to the extent of unexpired grant period is disclosed under non-current liabilities.

11. Correctness of Transmission charges claimed by TANTRANSCO and TANGEDCO may be reviewed and reported.

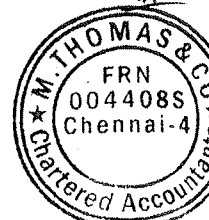
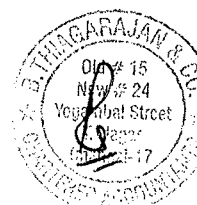
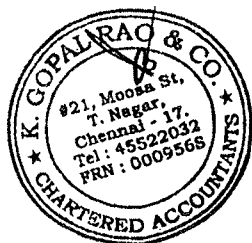
Reply:

Transmission charges claimed by TANTRANSCO and paid by TANGEDCO were reviewed and found it was done as per the applicable TNERC order.

12. Rebates availed by TANGEDCO may be verified and reported.

Reply:

Rebates are availed by the Company when it is duly eligible. With respect to ineligible rebates availed upto previous financial years, liability has not been provided.



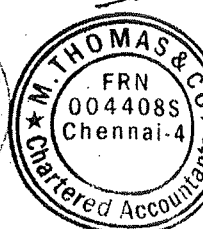
13. Steps already taken and/or proposed to be taken by the TANGEDCO to overcome inherent limitations on internal controls may be analysed. It may be seen whether they have any time bound plan to overcome the inherent limitations.

Reply:

Steps taken by the company to overcome inherent limitations on internal controls. However, in respect of each such step, there are several lapses noted in the procedure followed and absence of documentary evidence which have been given in our main audit report.:

1. The Company has implemented SAP during the year. However, there are issues observed during the audit on implementation of SAP including lack of training for staff operating the ERP. Consequently, there are numerous errors noticed in the books of account.
2. Property Plant and Equipment (PPE) have been revalued and maintenance of PPE Register has been initiated.
3. The Company has assessed its actuarial liability in respect of post-employee benefit plans.
4. Post Ind-AS adoption, the Company addressed some of the accounting errors noticed in the erstwhile GAAP including the following:
 - a. More accurate value of its inventory balances,
 - b. Recognition of impairment provisions of its non-financial assets (ETPS),
 - c. Recognition of other Ind AS adjustments like restatement of foreign currency payables, impairment of financial assets, government grants, lease liability etc.,
 - d. Government grants and Deposit Contribution Works,
 - e. Rectification of certain legacy balances - reconciliation of inter-company balances, prior period adjustments, trade receivables, appropriate disclosure of employee liabilities grouped under equity etc.,
5. Appointment of special auditors with focused scope for all account rendering units to examine the yearend account closure of each unit.

However, the company has no time bound plan to overcome the inherent limitations.



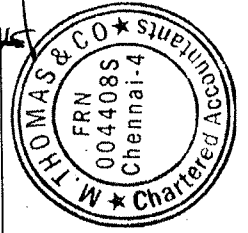
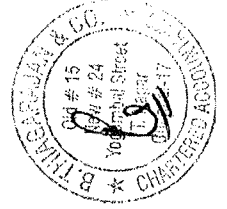
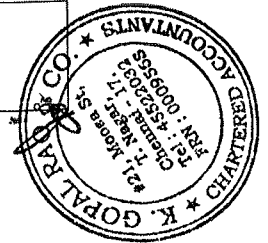
14. Compliance to the issues communicated to TANGEDCO through a Management Letter dated 16.08.2023 may be verified.

Reply:

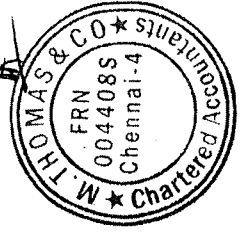
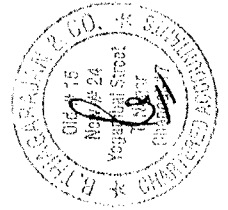
Our comments for the issues communicated to the Company are tabulated below subject to qualifications in basis for adverse opinion in our IND AS revised audit report for the Financial Year 2021-22:

Annexure A

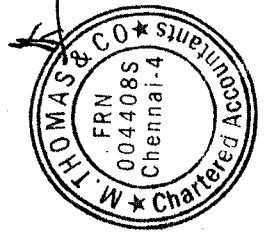
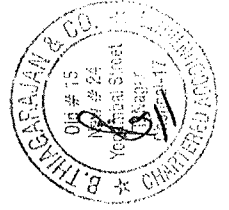
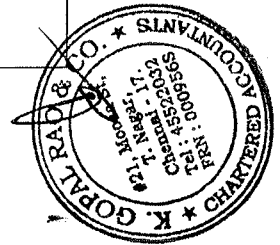
S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
1. Qualifications repeated from the year 2017-18 onwards.			
(i)	TANGEDCO capitalize overheads towards contingencies, labour and transport, establishment and supervision and interest during construction (IDC) and other overheads, on certain percentage basis, to the base acquisition cost of each asset/component except land and buildings. However, TANGEDCO did not provide any supporting document to substantiate the percentages as well as for the manner of applying these percentages on cumulative basis (Point 1.g of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 3.e of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	<p>The Fixed Assets register (FAR) has been created afresh by obtaining all quantitative details of the assets commissioned upto 31.03.2021 & have been subjected to fair valuation. While carrying out the Fair valuation exercise the company has considered the material cost, labour and transport cost establishment and supervision charges, IDC and other over heads based on the construction period on average basis for Generation Assets, Distribution Asset etc.</p> <p>From FY 2021-22 onwards, as TANGEDCO implemented SAP-ERP, the actual expenses incurred in respect of material, Labour, are being accounted through work order in the ERP process. Further, allocation of employee cost at 4.29% and interest during construction stage at 10.24% are being made along with the capital works.</p>	Reference is drawn to points 1 and 2 of basis for adverse opinion para in our audit report.



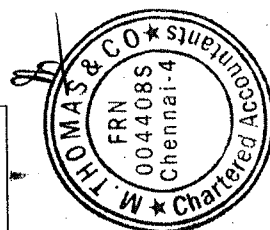
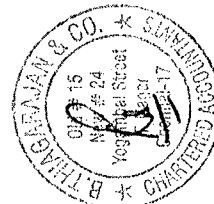
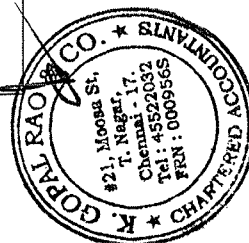
S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
(ii)	TANGEDCO have not reconciled the differences between the value of security deposits as per separate billing software and books of accounts. Impact on such balances and statement of profit and loss for any shortfall/excess of interest on such deposits is not ascertainable. (Point 6 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.a of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	A Committee has been formed to analyse the reason for difference in SD Balance between LT Legacy and books of accounts. The Committee has submitted the report along with suggestions to wipe out the difference. Based on the committee report, arrangements for providing modifications have been enabled in LT Legacy in order to wipe out the difference in SD Balance between LT Legacy and books of accounts. The above reconciliation work is under process in a time bound manner. Continuous follow-up action is being taken to guide field officials for accomplishment of the above work and, is expected to be completed shortly. Tentative time for completion is FY 2024-25	The Company is still in the process of reconciling the differences and reference is drawn to point 24 of basis for adverse opinion para in our audit report
(iii)	TANGEDCO's books of accounts have not been reconciled with the reported values of turnover/Input Tax Credit availed under the GST Act. Quantum is not ascertainable as also the corresponding liability, if any. (Point 7 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.f of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	The Turnover as per books of Accounts & as per GST returns could be arranged to be reconciled only after completion of GST audit for the FY 2020-21. But the liability of GST are being remitted in full based on reports compiled from the Circles, duly filing GSTR 3B. Tentative time for completion is FY 2024-25	Reference is drawn to point 35 of basis for adverse opinion in our audit report.



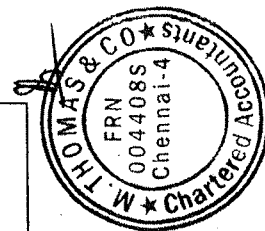
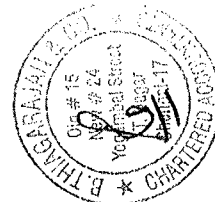
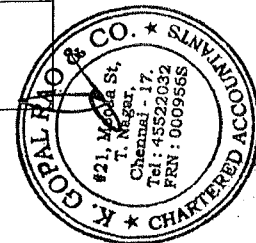
S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
(iv)	TANGEDCO have not complied with Provident Fund and Miscellaneous Provisions Act, 1952 as it has not invested the employee contributions to various terminal benefit funds along with TANGEDCO's matching contributions in an independent entity. (Point 9 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.d of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	Since the company has not finalised its Employees Transfer scheme under Restructuring of erstwhile TNEB and continuing to adopt the pension schemes notified by State Government, the existing system of maintaining funds with TANGEDCO is being adopted.	Reference is drawn to point 43 of basis for adverse opinion in our audit report.
(v)	TANGEDCO have not matched the staff-wise balances of GPF/CPS as maintained in physical registers/payroll software with the books of accounts. In the absence of adequate information, the Statutory Auditors have not quantified the amount of difference and confirmed the accuracy of interest liability. (Point 11 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.d of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	From FY 2021-22 onwards, as TANGEDCO implemented SAP-ERP in a phased manner. Efforts are being arranged to reconcile the differences between payroll software of ERP and Records on employees GPF / CPS broad sheet as per the books of accounts. However, actual interest liability is being arrived and provision for interest is booked. Tentative time for completion is FY 2024-25	The Company is still in the process of reconciling the differences in payroll software and manual records maintained. Further, reference is drawn to point 34 of the basis for adverse opinion in our audit report.
(vi)	TANGEDCO have not recognized the liabilities towards impact of frauds and embezzlements detected in the preceding years (Point 20.a of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.n of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	As a company policy, the recovery of dues towards embezzlement / thefts are fixed with the concerned staff in charge and suitable proceedings are being taken. This is suitably disclosed in notes.	Reference is drawn to point 31(a) of basis for adverse opinion in our audit report.



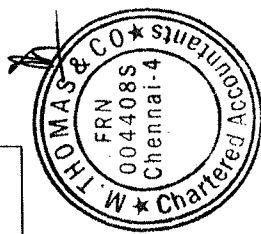
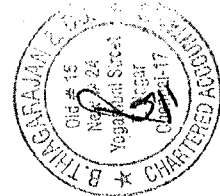
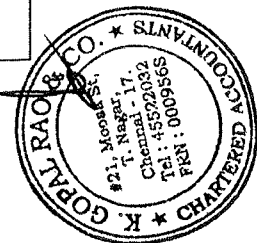
S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
(vii)	TANGEDCO have not recognized the liabilities towards interest claims of the parties for the delayed settlement of dues towards power purchase (Point 20.b of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.n of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	The Late Payment Surcharge (LPSC) levied due to delayed payment of Power Purchase bills is in the process of negotiation with concerned power generators for waiver & therefore shown as Contingent Liability. Where negotiation/reconciliation is over the liability has been accounted in the books of accounts. Tentative time for completion is FY 2023-24.	Reference is drawn to point 30 of basis for adverse opinion in our audit report.
(viii)	TANGEDCO have not recognized the towards Water Cess Payable to Tamil Nadu Pollution Control Board (Point 20.c of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.n of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	Water cess including arrears for an amount of Rs.696.65 Crores had raised by TNPCB regarding the payment. A letter dt. 24.07.2023 along with relevant details had been addressed Tamil Nadu Pollution Control Board, requesting to withdraw the claim of Rs.696.65 Crores towards sea water cess for the sea water used and returned back to sea. This is arranged to be shown as a Contingent Liability.	Reference is drawn to point 31(b) of basis for adverse opinion in our audit report.
(ix)	TANGEDCO have not recognized the liabilities towards lease rent payable to Tamil Nadu Forest Department (Point 20.d of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 5.n of the Basis for Adverse Opinion on the Financial Statements for the 2017-18)	Forest Dept. is claiming lease rent for an amount of Rs.888 crore from the date of transfer of land to TNEB till 2018-19, for the forest lands transferred to the erstwhile TNEB, for the execution of Hydro Electric Projects. Various meetings are held between Forest Dept, Principal Chief Conservator of Forest (PCCF), Energy Dept. & TANGEDCO to resolve the issue. Hence the amount is arranged to be shown as Contingent Liability	Reference is drawn to point 31(c) of basis for adverse opinion in our audit report.



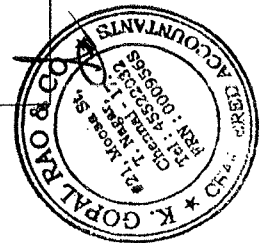
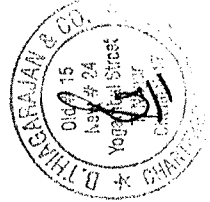
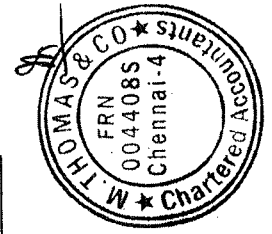
S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
(x)	TANGEDCO have not prepared and annexed the Consolidated Financial Statement of its accounts with Udangudi Power Corporation Limited, NTPC Tamil Nadu Energy Company Limited and NLC Tamil Nadu Power Limited (Point 21 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 1.b 5n of the Basis for Adverse Opinion on the Financial Statements for the year 2017-18)	Udangudi Power Corporation Ltd is under merger process and the legal formalities are going on. Hence, the financials of UPCL is not consolidated. The Consolidated Financial Statements will be arranged to be prepared in FY 2023-24	Reference is drawn to point 44 of basis for adverse opinion in our audit report.
2. Qualifications repeated from the year 2018-19 onwards.			
(i)	TANGEDCO have not reconciled the Collections from consumers through online gateways. (Point 8 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 18 of the Basis for Adverse Opinion on the Financial Statements for the 2018-19)	For reconciling the collections through the online gateways, continuous follow up actions are being taken with the banks officials & to set right mismatch of collection. Due to the continuous efforts of TANGEDCO, concerned bankers are attending the mismatches/discrepancies and will be arranged to be completed at the earliest. Tentative time for completion is FY 2024-25	Reference is drawn to point 72 of basis for adverse opinion in our audit report.
(ii)	TANGEDCO have not made available the list of vendors, who are categorised as MSME and registered under MSMED Act, 2006. Consequently, compliance with provisions of MSMED Act and payment/provision of prescribed interest for delayed settlements could not be ascertained by the Statutory Auditors (Point 15 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 9 of the Basis for	From FY 2021-22 onwards, as TANGEDCO implemented SAP-ERP in a phased manner. The data on suppliers as required under MSME Act would be complied through ERP & suitable Reports will be arranged to be developed to capture the required data under MSME category. Tentative time for completion is FY 2023-24	Reference is drawn to point 48 of basis for adverse opinion in our audit report.



S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
(iii)	Adverse Opinion on the Financial Statements for the 2018-19) TANGEDCO have not written off Trade Receivables from Puducherry Electricity Department amounting to ₹294.93 crore, which is not recoverable (Point 19 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 20.8 of the Basis for Adverse Opinion on the Financial Statements for the 2018-19)	As per the approval of the CMD, receivable/payable by both the sides (PED and TANGEDCO), has been reconciled and a final demand notice for an amount of Rs.34.70 crores has been sent to PED vide letter dt. 18.06.2021 and continuous follow up action is being taken to realise the same. However, the arrear amount is yet to be realized. Tentative time for completion is FY 2023-24	Reference is drawn to point 59 of basis for adverse opinion in our audit report.
(iv)	TANGEDCO have not recognized liabilities towards delayed remittance of tax deductions under the Income Tax Act, 1961 (Point 20.f of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 20.x of the Basis for Adverse Opinion on the Financial Statements for the 2018-19)	TDS defaults in several TANs relating to circles are being rectified and gradually reduced. Admissible liabilities are settled by remittance by circles and accounted.	Reference is drawn to point 31(f) of basis for adverse opinion in our audit report.
3. Qualifications repeated from the original accounts of 2020-21			
(i)	TANGEDCO have not matched employee-wise loans and advances given with the balances available in the books of accounts (Point 16 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 28 of the Basis for Adverse Opinion on the original Financial Statements for the 2020-21)	From FY 2021-22 onwards, as TANGEDCO implemented SAP-ERP in a phased manner. The staff advances (employee wise) will be arranged to be reconciled and compiled at the earliest. Tentative time for completion is FY 2023-24	The Company is still in the process of reconciling the staff advances employee wise and reference is drawn to point 63 of basis for adverse opinion in our audit report.



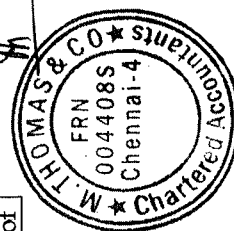
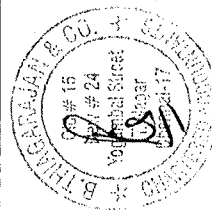
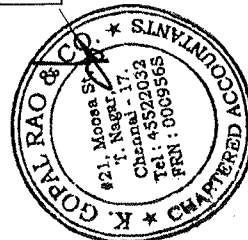
S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
(ii)	TANGEDCO have not provided complete details for value of capital spares (Point 4 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 4 of the Basis for Adverse Opinion on the original Financial Statements for the 2020-21)	From FY 2021-22 onwards, as TANGEDCO implemented SAP-ERP in a phased manner. The Capital spares in the generating stations are considered at book value. In ERP, a separate process will be arranged to be developed in order to provide the required details of capital spares. Tentative time for completion is FY 2023-24	The Company is still in the process of identifying the capital spares and reference is drawn to point 1(g) of basis for adverse opinion in our audit report.
(iii)	TANGEDCO have not provided the balance confirmation in respect of advance payments made to coal suppliers (Point 17 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 29 of the Basis for Adverse Opinion on the original Financial Statements for the 2020-21)	In view of huge volume of transactions, confirmation of advance balance was not obtained from such companies. Henceforth, the requirement would be arranged to be complied with.	Reference is drawn to point 42 of basis for adverse opinion in our audit report.
(iv)	TANGEDCO have not provided the document approving rebate on power purchase bills availed valuing ₹28.69 crore (Point 18 of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 30 of the Basis for Adverse Opinion on the original Financial Statements for the 2020-21)	1. In respect of rebate availed for M/s.Pioneer of Rs.143,25,448/-, a letter was addressed to Pioneer vide Lr.No.CFC/Rev/FC/Cost/DFC/ Cost-1/D 192/2021,dt.23.12.2021 requesting acceptance for the Covid Rebate availed by TANGEDCO for which the company has not replied till date. 2. In respect of rebate availed for M/s.PPN of Rs.7,82,40,800/- was journalized vide JV No.130 of 03/2021 and the same was withdrawn and reversed vide ERP Document No.2039019867 dt.13.06.2021 in 2021-22. 3. In respect of rebate availed for M/s.Coastal Energen of Rs.19,44,14,226/- jou Ji. No.76 of 11 malized vide /2020 and the same was	Till date, we have not been made available with the document approving the rebate on power purchase bills.



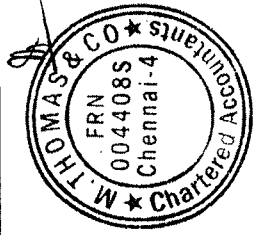
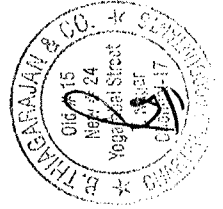
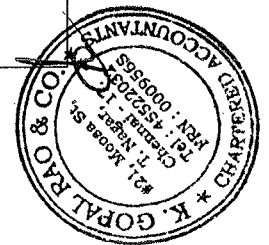
S.No.	Qualification/Comment	Reply by the Management	Auditor Comments
		withdrawn vide ERP Document No.2239014079 dt.27.08.2022 in 2022-23.	
(v)	TANGEDCO have not recognized the liabilities towards lease rent payable to port ₹158.02 crore (Point 20.f of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 20.v of the Basis for Adverse Opinion on the original Financial Statements for the 2020-21)	Demand received by VOC port =Rs.212,64,69,861/- Amount Paid by TTPS= Rs.54,62,73,424/- Balance Amount= Rs.158,01,96,437/- Lease amount has been paid to VOC port based on the NTPL rate. Negotiation is being conducted to reassess the quantum of dues to port authorities. Hence Rs.158.02 cr is arranged to be disclosed in Contingent Liability.	Reference is drawn to point 31(d) of basis for adverse opinion in our audit report.
(vi)	TANGEDCO have not recognized the liabilities towards grade slippage bills (Point 20.g of the Basis for Qualified Opinion on the revised Financial Statements for the year 2020-21 and point 20.x of the Basis for Adverse Opinion on the original financial Statements for the 2020-21)	Effective steps will be arranged to be taken to sort out this issue. Tentative time for completion is FY 2024-25	Reference is drawn to point 31(g) of basis for adverse opinion in our audit report.

Annexure B

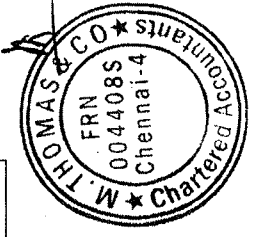
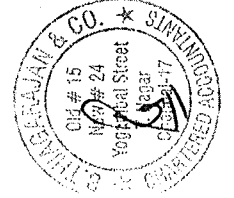
S.No.	AG Qualification/Comment	Reply by the Management	Auditor Comments
1.	Udangudi Power Corporation Limited (UPCL) is a separate legal entity. Accounting of transactions between the TANGEDCO and UPCL may be made keeping the fact that UPCL is a separate entity. Assets of the Udangudi Power Project may be accounted based on the title to assets. A proper disclosure about	The merger of UPCL with TANGEDCO is under progress and pending with Honourable High Court/Madras. Suitable disclosure has been given in the revised financials for the FY 2021-22 (Revised).	The accounting of transactions between TANGEDCO and UPCL has not been made treating UPCL as a separate legal entity and on the basis of the title to assets. However, company has disclosed the fact of



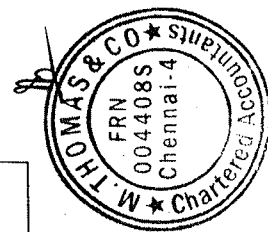
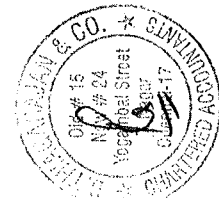
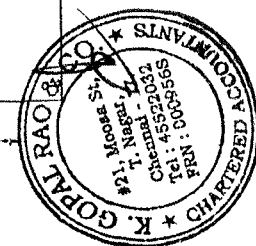
S.No.	AG Qualification/Comment	Reply by the Management	Auditor Comments
	accounting of transactions between the companies may be given in the revised financial statements for the year 2021-22. (Audit Enquiry Numbers 2 dated 18.05.2023, 13 dated 22.05.2023 and 27 dated 25.05.2023 issued during the supplementary audit)		ongoing merger process with UPCL.
2.	A review report on the fraud noticed and action taken thereon may be furnished to Audit during the supplementary on revised accounts for the year 2021-22. (Audit Enquiry No:3 dated 18.05.2023)	Report on the fraud noticed and the action taken thereon, will be arranged to be submitted during the Supplementary Audit.	We cannot comment on this.
3.	Shortage of coals noticed during the year 2021-22 and prior to that may be reviewed and disclosed in the notes on accounts along with action taken thereon. (Audit Enquiry No.4 dated 18-05-2023 and Clause (b) of Audit Enquiry No.29 dated 25.05.2023)	Suitable disclosure has been made in the notes on accounts in the annual accounts of FY 2021-22 (Revised).	The company has not disclosed the accounting treatment and quantum of coal shortages noticed during the year 2021-22 and prior to that.
4.	It was replied to the observation made in the audit enquiry that the major spares available under the inventory heads will be analysed and on utilization of such inventories as replacement of existing asset component, the same will be capitalized and depreciation will be applied based on the remaining useful life of the asset. All the capital spares may be classified as Property, Plant and Equipment and depreciation on the capital spares may be provided in accordance with Ind AS 16. (Audit Enquiry No:6 dated 18.05.2023)	In Generating Stations, the spares were procured for the Repair & Maintenance (R & M) purpose and kept under the Inventory. On the urgent requirement in case of outages, these items will be utilized for R & M. Since, the item could be utilized for R&M replacement purposes such materials/spares will be held under inventory only. However, the major spares available under the inventory heads as pointed out by the CAG will be arranged to be analysed and action taken suitably.	Reference is drawn to Point 2(g) of the basis of adverse opinion paragraph.



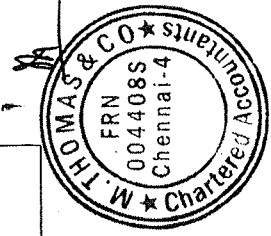
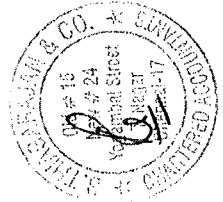
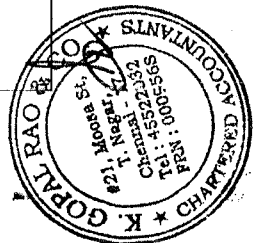
S.No.	AG Qualification/Comment	Reply by the Management	Auditor Comments
5.	It was stated in the reply to the observation that there was no concrete lease agreement between VOC Port Trust and there is no recognition of lease liability regarding land leased from the latter. It was assured that this will be incorporated in the related notes to accounts. This may be complied with in the revised financial statements for the year 2021-22 with sufficient justification. (Audit Enquiry No.12 dated 18-05-2023)	Since there is no concrete lease agreement between TANGEDCO and VOCPT, there is no recognition of lease liability. This has been shown as disclosure and incorporated in the related notes to accounts under contingent liability in FY 2021-22 (Revised)	Company has made disclosure for this vide note no 68. We have qualified for non-provision of liability of Rs. 158.02 crores
6.	As assured in the reply to the Audit Enquiry, proper disclosure, as detailed in the audit enquiry, may be given regarding imports and technical data in the revised financial statements for the year 2021-22. (Audit Enquiry No.14 dated 22.05.2023)	Import details-on raw materials, etc.as required in C&AG Audit enquiry No. 14 dt.22.05.2023, will be suitably arranged to be disclosed by arranging through ERP. Technical data- The Annexure A to E as already furnished in the IGAAP FY 2021-22 annual accounts, has been incorporated in the revised financial statement of FY 2021-22.	The company has not disclosed the details in respect of imports however, technical data has been annexed.
7.	As per the significant accounting policies, the estimated useful life of plant and machineries was stated as 17 years. Wherever the useful life given in the accounting policy has not been adopted, proper disclosure of the same shall be made in the notes to accounts. (Audit Enquiry No.16 dated 22.05.2023)	The useful life of the each asset as on 01.04.2019, being the date of transition under Ind AS is determined based on the certification from the respective Technical officials, while preparing the Fixed Asset Register (FAR). It varies depending on the location, condition of asset, usage etc. For these assets, the remaining useful life is taken for the purpose of accounting eg. for depreciation.	The Company has disclosed in the note No. 3(a)(iii).



S.No.	AG Qualification/Comment	Reply by the Management	Auditor Comments
8.	The grant portion of ₹8.05 Crore under the DRIP Scheme may be transferred to respective generation circles and the proper accounting of capital expenditure under the scheme may be ensured as stated in the reply to the audit enquiry. (Audit Enquiry No.24 dated 25.05.2023)	<p>The grants received towards DRIP Scheme (Phase I) upto the FY 2020-21 is Rs.136.03 Cr only. The grants were initially credited in the Headquarters Cash compilation section under A/c head 55.350 and transferred to Gen/Kundah, Gen/Trinelveli and Gen/Kadakbarai circles. However, the respective circles have not taken such transferred credit account. And thus, the grant portion was held under Inter Unit head. The grant portion of Rs.8.05 Cr received towards DRIP is accounted in Cash compilation during 2020-21 which is to be transferred to the respective circles.</p> <p>The total Capital expenditure incurred upto FY 2020-21 was Rs.136.03 Cr related to Gen/Kadambarai, Gen/Trinelveli and Gen/Kundah circles. The quantum of Capex converted into fixed assets will be analysed and related depreciation will be worked out. The amortisation of the grant in proportion to the depreciation calculated will also be made. The reconciliation of Grants received, Capital expenditure incurred and year wise amount capitalised as fixed asset will be made and appropriate rectification journal has been brought into Accounts in the revised financials of FY 2021-22.</p>	Reference is drawn to Point 69 of the basis of adverse opinion paragraph.



S.No.	AG Qualification/Comment	Reply by the Management	Auditor Comments
9.	Efforts may be made to reconcile the difference between the audited report on accounts of Co-generation mills and the accounts of TANGEDCO. If the reconciliation could not be done, proper disclosure shall be made as assured during the audit of revised accounts for the year 2020-21. (Audit Enquiry No.26 dated 25.05.2023)	The pending reconciliation on Co-gen projects has been disclosed in the notes in FY 2021-22 annual accounts (Revised).	Reference is drawn to Point 40 of the basis of adverse opinion paragraph. Differences are not yet reconciled but the same has been disclosed by the company vide Note No.69
10.	As assured, the major category of assets on which fair valuation has been applied may be disclosed in the significant accounting policy. (Audit Enquiry No.31 dated 25.05.2023)	The disclosure of major category of assets on which fair valuation applied has been disclosed in the significant accounting policies in the revised financials of FY 2021-22.	The Company has disclosed in the note no.3(a)(i).
11.	Employee-wise data in ERP system may be updated and proper reconciliation with the books of accounts may be made to make suitable entries, if any, in the books of accounts. (Audit Enquiry No.39 dated 27.05.2023)	From FY 2021-22 onwards, as TANGEDCO implemented SAP-ERP in a phased manner. Efforts are being arranged to reconcile the differences between payroll software of ERP and as per the books of accounts.	Reference is drawn to Point 34 and 63 of the basis of adverse opinion paragraph.



S.No.	AG Qualification/Comment	Reply by the Management	Auditor Comments
12.	<p>(a) Assurances given during the audit of original accounts for the year 2021-22 and during the audit of revised accounts for the year 2020-21 may be ensured.</p> <p>(b) Better compliance with Ind AS provisions may be ensured in the revised accounts for the year 2021-22.</p>	<p>(a) Entries has been posted in the revised financials of FY 2021-22 for the AG comments issued during the audit of original accounts for the FY 2021-22 and revised accounts for the FY 2020-21 respectively.</p> <p>The disclosure requirement as per AG comments issued for the original Accounts of FY 2021-22 and the revised Accounts of FY 2020-21 have been complied with.</p> <p>(b) Compliance of IND AS made during 2020-21 (Revised) has been followed in 2021-22 (Revised). Still better will be arranged to the possible extent during FY 2023-24.</p>	<p>Entries posted by the company for the AG comments have been verified. Suitable comments have been given in the basis of adverse opinion paragraph.</p> <p>The company has generally complied with the IND AS provision subject to points given in the basis of adverse opinion paragraph.</p>

For K Gopal Rao & Co
Chartered Accountants
FRN:0009565

CA. Madan Gopal Narayanan
Partner

M. No. 211784

UDIN: 23211784BGVC084547

Place: Chennai

Date: 30.08.2023

For Khicha & Prabu Kesavan
Chartered Accountants
FRN:0501085

CA. S. Manivannan
Partner

M. No. 201633

UDIN: 23201633BGZDQT1687

For B Thiagarajan & Co
Chartered Accountants
FRN:0043715

CA. Raj Srinivasan
Partner

M. No. 220112

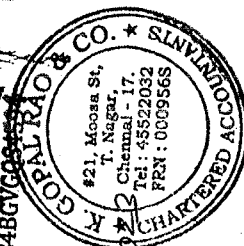
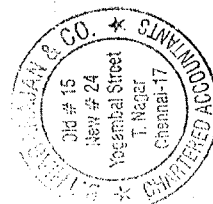
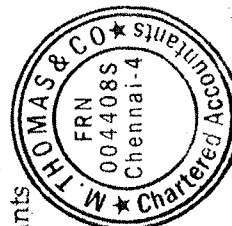
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For M Thomas & Co
Chartered Accountants
FRN:0044085

CA. J P J Kamalesh
Partner

M. No. 201093

UDIN: 23201093BGXXE8301



**MANAGEMENT REPLY TO COMMENTS OF THE STATUTORY AUDITORS ON
THE ANNUAL ACCOUNTS FOR THE YEAR 2021-22**

Sl.No	Auditors Observations	Management Reply
1.	<p>In respect of the fair valuation exercise of PPE, carried out as on the date of transition to Ind AS i.e., 1st April 2019 and having an impact on the opening balance of PPE as on 1st April 2021, we observed the following:</p> <p>a) In general, with regard to quantity, date of capitalisation and the useful life of PPE as certified by the management, the maintenance of sufficient supporting documents to corroborate the details as stated above requires strengthening.</p> <p>b) Further, in the absence of sufficient supporting document we are unable to confirm whether physical, technical, and economic obsolescence have been factored in the valuation of PPE.</p> <p>c) In respect of most of the lands, title deeds are not registered in the name of the Company. In addition, sufficient supporting documents for rate adopted for valuing lands have not been made available. Further, documents provided for land area measurement do not correspond with the measurement considered for the purpose of valuation. In the absence of adequate information, we are unable to quantify the impact of the above on the valuation of land.</p> <p>d) In respect of building and other civil works, sufficient supporting documents to confirm the built-up area were not made available.</p> <p>e) In respect of Plant and Machinery, Lines, cable network,</p> <p>i. Sufficient supporting document to confirm the quantity and date of acquisition/capitalisation were</p>	<p>The creation of fixed assets register has been made based on the physical available fixed assets in all the circles based on adequate supporting documents, assessment of useful life, etc.</p> <p>Periodical assessment of the physical, technical functioning of the fixed assets were made by the respective field engineers and factored at the time of creation of fixed asset register.</p> <p>Efforts are being taken to transfer title deeds in the name of TANGEDCO for the lands which are in the name of Government/local bodies and other departments.</p> <p>For most of the buildings and civil works, the records for buildup area has been provided. However arrangement for the same for the old buildings will be taken suitably.</p> <p>The technical certification for the plant and machineries are being taken as a basis.</p>

Sl.No	Auditors Observations	Management Reply
	<p>not made available.</p> <p>ii. In respect of the base acquisition cost, considered for arriving at the fair value, which has been obtained from the cost data book internally maintained by the management, we have not been provided with sufficient and appropriate documents to substantiate the correctness and completeness of the values given in the cost data book.</p> <p>iii. The methodology adopted for valuing plant and machinery, in respect of which no values (base acquisition cost) have been provided in the cost data book, are not supported by sufficient and appropriate documents.</p> <p>f) In respect of additions made to PPE during Financial Year 2019-20 and 2020-21, the Company has adopted the same fair valuation method adopted for the transition date i.e., 1st April 2019 instead of actual cost incurred in respect of such additions.</p> <p>g) The Company has capitalised contingencies (1%), labour and transport (15%), establishment and supervision (15%) and interest during construction (IDC) and other overheads (14.59% / 32.62%), to the base acquisition cost of each asset/component of asset except land and buildings. In addition, these percentages have been applied on a cumulative basis in the order mentioned above on the base acquisition cost for arriving at the fair value as on 1st April 2019 as well as additions made during Financial Year 2019-20 and 2020-21.</p> <p>In respect of the above, the Company has not furnished any supporting document to substantiate these percentages as</p>	<p>The cost data book is approved by the board of TANGEDCO based on the purchase order issued in the previous year and cost data book is utilised for valuation purposes.</p> <p>Bench marking valuation methodology based on industrial norms were adopted in case of plant and machinery for which no cost data is available.</p> <p>The valuation for additions during 2019-20 and 2020-21 was arrived on the basis of cost data approved by the board as rates mentioned therein is the compilation from the purchase orders issued during the previous year.</p> <p>While carrying out the fair valuation exercise the company has adopted material cost, labour and transport cost, establishment and supervision cost, IDC, etc on a cumulative basis which is conventionally adopted by the management.</p>

Sl.No	Auditors Observations	Management Reply
	<p>well as the manner of applying these percentages on cumulative basis.</p> <p>In view of the above observations stated in para 1(a) to (g) we are unable to comment on the accuracy of the value of PPE and the consequential impact on the statement of profit and loss.</p>	
2.	<p>In respect of additions to PPE during the Financial year 2021-22, we observed the following:</p> <p>a) In respect of additions to the value of Plant and Machinery and other assets during the year, cost adopted for value of materials issued upto 31st March 2021, ie., prior to the date of implementation of ERP is at standard cost and not at actual cost which is not in accordance with Ind AS 16. Further in respect of some account rendering units, the value of additions to plant and machinery is the work order sanctioned amount which is only an estimated value which is also not in accordance with Ind AS 16.</p> <p>b) In respect of Interest During Construction (IDC) at 10.24% and other overheads at 4.29% capitalised to the cost of each asset/component of asset (except land and other non-qualifying assets), no information or explanations have been provided to substantiate the rate of capitalisation and period of charge.</p> <p>c) We are unable to comment on whether physical verification of PPE has been conducted during the year since no reports were made available to us for our verification.</p>	<p>Subsequent to the implementation of ERP, the fixed assets are created based on the actual cost incurred and with allocation of IDC and overheads related to the respective value of the fixed assets. Due to first year of ERP implementation, while uploading the capital work in progress value for certain internal work orders by few circles, the estimated value might have been brought in, however the same may not have material impact on the overall value of fixed assets in TANGEDCO.</p> <p>Considering the loan profile and rate of interest of TANGEDCO the weighted average rate arrived at the time of valuation of fixed assets has been adopted during the financial year 2021-22 which is justifiable for the allocation of IDC on the work in progress converted into fixed assets. In respect of overhead allocation, the 4.29% has been arrived based on detailed work studies on several representative capital works obtained from circles. This has been adopted under reasonable estimates and judgements-class-d of basis of preparation of financials under accounting policy of TANGEDCO.</p> <p>In order to ensure the quantitative data of fixed assets, physical verification of fixed assets upto 31.03.2021 has been conducted on sample basis certified by the field technical team. For the assets added during 2021-22, no physical verification has been conducted.</p>

Sl.No	Auditors Observations	Management Reply
	<p><i>d)</i> The Company has not conducted any impairment assessment of its PPE including co-generation facilities located at sugar mills and other financial assets.</p> <p><i>e)</i> Balance of PPEs as at the yearend appears as credit balance in the books of various account rendering units which is neither explained nor corrected.</p> <p><i>f)</i> Accounting procedure followed for sale or scrapping of assets is not in compliance with accounting standard. In the absence of information including listing and computations in respect of Profit/Loss on sale of disposed assets, we are unable to ascertain the impact of such disposals on the statement of profit and loss for depreciation and consequential profit and/or loss on such sale or scrapping of assets for the year ended and PPE balances thereon.</p> <p><i>g)</i> In respect of value of capital spares included as part of Plant and Equipment, information and explanations have not been provided and hence we are unable to comment on the correctness of value of Plant and Equipment given in the financial statement to that extent.</p> <p>Further, in respect of capital spares at various account rendering units, there are no movements from opening balance. In the absence of information and year wise list, we are unable to confirm whether such materials are usable or obsolete and require provision to be made for obsolescence.</p>	<p>Field technical team is regularly monitoring the performance of all the assets and impairment assessment will be initiated in case such assets are identified. The Co-Gen plants are under operation and generating power, which are being purchased by TANGEDCO.</p> <p>While migrating from JAVA based accounting package into ERP during the year 2021-22 there may be certain legacy balances appears as credit balance which will be analysed and rectified.</p> <p>The value of disposed assets were not ascertained and such disposals are accounted based on the estimated cost of the assets as well as its accumulated depreciation, conventionally. Appropriate ERP process for the disposal of assets and its accounting are yet to be implemented, but are accounted through manual journal.</p> <p>The capital spares in the generating station are considered at book value. The impairment assessment of such spares will be taken and appropriate treatment will be given based on such assessment.</p>
3.	The balance as per PPE Register maintained in SAP has not been reconciled with the balance as per books of account. In the	Proper reconciliations will be arranged to be made between PPE register and books of accounts.

Sl.No	Auditors Observations	Management Reply
	absence of such reconciliation, we are unable to comment on the completeness and accuracy of the PPE balance.	
4.	Several work orders have been capitalised during the year ended 31 st March 2022 and forming part of PPE whereas such completed work orders have been considered as part of PPE at the time of transition to IND AS. Consequently, the PPE balance in respect of these work orders, to the extent already capitalized may be overstated. The consequential impact on the PPE and Statement of Profit and Loss is unascertainable due to non-availability of proper information and explanations.	Considering the voluminous fixed assets valuation exercise carried out, very few fixed assets were considered as PPE at the time of transition and subsequently capitalised during 2021-22 also. However, it may not be material.
5.	Reference is drawn to Note 4a of the financial statements wherein additions/ deletions during the year and opening / closing balances of PPE have not been presented in accordance with Schedule III of the Companies Act, 2013 including differences noted in the carry forward of previous year closing balance.	While uploading the fixed assets register there are reclassification among the plant and machinery, civil works, capital spares, however the closing balance of previous year of total PPE has been brought in note No.4a of financial statements.
6.	Total depreciation provided for the current year Rs 3,819.00 Crores (Previous year Rs 3,924.17 Crores) does not correspond with the total additions to and/or opening gross carrying amount of PPE made during the current year which we are unable to confirm the correctness thereof in the absence of information and explanation.	The depreciation are being applied based on the remaining useful life of the assets. It is also to be noted that certain assets that have been exhausted its useful life would not be charged with depreciation. However analysis will be arranged to be made for reasoning for the variations in the current year depreciation.
7.	In respect of devolution of assets for the purpose of repair and reuse or sale as scrap, the accounting treatment given in the books of account is not appropriate as regards removal of assets from PPE balance and corresponding accumulated depreciation of such assets.	Appropriate ERP process for devolution of assets are yet to be implemented.
8.	Reference is drawn to Note 4c –intangible assets under development amounting to Rs 86.72 Crores as at the yearend, comprises SAP ERP which has already been put to use by the Company with effect from 1 st April 2021. The same is still shown as under implementation and has not been amortised	<p>Since ERP is implemented only during FY 2021-22 in a phased manner and several process were sorted out of the teething issues, appropriate accounting treatment will be initiated during 2022-23 .</p> <p>The employees cost incurred in the ERP wing have been allocated towards ERP intangible assets.</p>

Sl.No	Auditors Observations	Management Reply
	<p>in accordance with Ind AS 38 – Intangible Assets.</p> <p>Further, the above balance also includes a sum of Rs 2.11 Crores pertaining to employee benefit cost. In the absence of information and explanations, we are unable to ascertain whether such amount is required to be charged off in the Statement of Profit and Loss.</p>	
9.	<p>CWIP</p> <p>In respect of Capital Work in Progress (CWIP) balance as at 31st March 2021:</p> <p>a) Several work orders have been completed as on 31st March 2021 and form part of CWIP balances in the books whereas such completed work orders have been considered as part of PPE at the time of transition to IND AS. Consequently, the CWIP balance in respect of these work orders, to the extent already capitalized as part of PPE, may be overstated. The consequential impact on the CWIP, PPE and statement of profit and loss account is unascertainable due to non availability of proper information and explanations.</p> <p>b) Work order and scheme wise listing for CWIP balances are not being maintained. Therefore, we are unable to comment on the completeness and accuracy of the same.</p> <p>c) Material cost included in CWIP is at standard rate and not at actual cost.</p> <p>d) Revenue expenses amounting to Rs 5,875.22 Crores pertaining to earlier years have been capitalized and included as part of CWIP balances.</p>	<p>Considering the voluminous fixed assets valuation exercise carried out, very few fixed assets were considered as PPE at the time of transition and subsequently capitalised during 2021-22 also. However it may not be material.</p> <p>In view of the ERP implementation, the work order wise break up of CWIP balances will be enabled in future.</p> <p>During the year 2021-22 the materials are accounted at weighted average rate which is actual cost.</p> <p>CWIP balances kept at the circles need to be analysed for the correctness since the legacy balances are brought and appropriate accounting treatment will be given.</p>
10.	<p>Reference is drawn to Note 4(a) – Property, Plant and Equipment balances where the movement of CWIP, both additions to CWIP and transfers/disposal during the year have not been adequately disclosed. In the</p>	<p>The total CWIP balance – opening as on 01.04.2020, net additions during 2020-21 and net additions during 2021-22 has been disclosed in the Note 4a.</p>

Sl.No	Auditors Observations	Management Reply
	absence of proper information and explanation from management, we are unable to confirm the correctness of the said disclosures.	
11.	Periodical settlement process in ERP as regards unmapped legacy work orders created prior to implementation of ERP has not been carried out properly. Consequently, an amount of Rs 198.29 Crores incurred during the year in respect of these legacy work orders remain in capital consumption and WIP upgradation accounts in various account rendering units which are classified as Other expenses – Repairs and Maintenance. The CWIP and/or PPE balances are understated, and loss overstated to the extent of the aforesaid amounts.	Due to the teething issues in the first year of ERP, quantum of expenditure incurred towards capital work orders could not be transferred from revenue expenses and impacted in Profit and Loss account.
12.	In various account rendering units, payments made to vendors have been posted to CWIP instead of relevant vendor account. This error in posting has an impact on both balances of CWIP and vendor outstanding.	Such accounting errors will be set right by the circles through proper rectification journals.
13.	Balance of CWIP as on 31 st March 2022 includes value of work completed but pending to be capitalised. Further, CWIP balance also includes completed work orders that have been considered as part of PPE at the time of transition to Ind AS.	Due to the implementation of ERP during 2021-22 for the first time circle faced difficulties in capitalisation of completed work orders. The same has been resolved during FY 2022-23.
14.	<p>Borrowing costs/ Overheads</p> <p>As regards borrowing cost capitalized:</p> <p>a). for additions made to PPE during the Financial Years 2019-20 and 2020-21 is not in accordance with the recognition principles contained in Ind AS 23 - Borrowing costs as regards identification of qualifying assets, borrowing cost eligible for capitalisation, cost of borrowings adopted, commencement, suspension, cessation of capitalisation, in respect of which the impact on the opening gross carrying amount of the relevant PPE is not</p>	The weighted average interest rate has been applied on the PPE additions during 2019-20 and 2020-21 in the process of IND AS transition as per the management accounting policies.

Sl.No	Auditors Observations	Management Reply
	<p>ascertainable.</p> <p>b) Amounting to Rs 4,720.30 Crores during the year, including an amount of Rs 2,346.37 Crores in Headquarters' books of account, and contained in closing balance of Capital Work in Progress as at the yearend, in the absence of information and explanation including work order wise details, we are unable to comment on whether the same is in accordance with the recognition principles contained in IND AS 23 – Borrowing costs and there is any effect on the Statement of Profit and Loss for the year,</p> <p>c) Amounting to Rs 514 Crores during the year for Uppur Project, temporarily suspended, the same is not in accordance with recognition principles contained in Ind AS 23 – Borrowing costs.</p>	<p>The IDC portion on the capital work in progress could not be allocated for each of the work orders through ERP process and thus, the quantum of Rs.2,346.37 crores has been brought into accounts in the year 2021-22.</p> <p>Uppur project under work in progress and final decision for the suspension of the project from the government is awaited and thus IDC quantum of Rs.514 Crores has been recognised.</p>
15.	<p>The basis of capitalisation of employee cost at 4.29% is done on estimated man-days (or) hours likely to be incurred on capital works or works capitalised rather than on actual man-days (or) hours spent on such works, which is not in accordance with measurement principles contained in Ind AS 16 – Property, Plant and Equipment.</p>	<p>In view of the voluminous nature of capital work orders, as per management policy the arrived portion of 4.29% on the value of capital works towards over heads is justifiable.</p>
16.	<p>In certain account rendering units, borrowing costs and overheads have not been capitalized in respect of work orders capitalised and/or in progress due to which the balances of PPE are understated, and corresponding expenses overstated.</p>	<p>In very few circles there were certain omissions in the allocation of overheads and IDC which are not material in nature.</p>
17.	<p>Inventory</p> <p>Opening inventory other than coal has been valued considering the rate as per the latest purchase order which is not in accordance with Ind AS 2 - Inventories. The consequential impact on the Statement of Profit and Loss for the current year is not ascertainable in the absence of information and explanations.</p>	<p>In the process of IND AS transition, the opening value of inventory has been adopted based on the latest purchase order rate, as the net realisable rate (Market Rate) would be more than the actual cost. More over the inventory held by TANGEDCO are indented for operational utilisation and not for sale and thus adoption of latest purchase order rate is reasonable.</p>

Sl.No	Auditors Observations	Management Reply
18.	Closing value of coal includes estimated figures of ocean freight component which is not in accordance with applicable Ind AS-2 - Inventories.	In the IGAAP Accounts itself, actual landed cost of coal is taken for valuing the closing stock.
19.	In respect of coal inventory, an amount of Rs 152.83 Crores being difference between value of physical inventory and books at the respective account rendering units still forming part of inventory balance as at the yearend. No proper information and explanations were provided for retaining the above value as part of inventory. This has the effect of overstatement of inventory balance and corresponding understatement of loss for the year.	Proper rectification journals will be arranged to be proposed in 2022-23 accounts by the respective circles.
20.	Conveyance loss and operational loss of coal inventory has not been ascertained and accounted at North Chennai Thermal Power Station 2, value of which is not ascertainable in the absence of information and explanations.	Since the coal yard was not separately maintained for NCTPS 2 and all the coal issued from NCTPS 1 are being consumed, there is no conveyance loss and operational loss need to be accounted in NCTPS 2, separately. Based on physical verification of coal, the excess or short are being accounted in NCTPS 1 as a whole.
21.	Opening balances of inventory other than coal includes balances migrated from the erstwhile accounting software into SAP which displays negative balance amounting to Rs.1,518.72 Crores in respect of which no information or explanation have been provided.	The opening stock of inventory is uploaded into the ERP (material wise) duly creating the financial balances available in the legacy account heads. The negative balance arisen due to movement from legacy GL needs to be sorted out suitably.
22.	Inventory balance as per Material Management module in SAP does not reconcile with the inventory balance as per general ledger in SAP at various account rendering units.	Reconciliation of ERP module balance with Book balance will be arranged to be carried out.
23.	An amount of Rs 17.70 Crores pertaining to material cost variance has been recognised as an expenditure in the Statement of Profit and Loss during the year in respect of which no explanation and information have been provided as regards the accounting treatment as well as cost attributable to closing inventory. Consequently, we are unable to comment whether the closing inventory has been correctly stated.	Since the material rate variation claims from vendors has been admitted subsequent to the receipt of materials and its consumption, such variation has been charged to P&L considering the same as meagre compared to the value of materials consumed and at closing stock.

Sl.No	Auditors Observations	Management Reply
24.	<p>Finance Liabilities</p> <p>The Company has not reconciled the differences between the value of security deposits as per separate billing software and books of accounts and consequent impact on such balances and statement of profit and loss for any shortfall/excess of interest on such deposits is not ascertainable.</p>	<p>Efforts are being taken to reconcile the differences between Billing software and Records on consumers which will be arranged to be sorted out.</p>
25.	<p>In several account rendering units, balances of vendor and TDS payable appear as debit balance which are unadjusted and unreconciled. In the absence of information and explanations, we are unable to ascertain the impact of the Statement of Profit and Loss and the correctness of such debit balances as at the year end.</p>	<p>Wherever debit balances in vendor accounts and other liabilities accounts prevailed, which will be arranged for rectification suitably in the appropriate liability heads.</p>
26.	<p>Reference is drawn to Note 22 – Other financial liabilities wherein payment entries against employee benefits payable have been recorded both at Headquarters and account rendering units which has resulted in the understatement of employee benefits payable and corresponding balances with bank by Rs 933.90 Crores.</p>	<p>Proper reconciliation between Headquarters and Circles will be carried out and rectified.</p>
27.	<p>In several account rendering units, vendor invoices are accounted net of retention amounts and in effect retention amount recovered from contractors/vendors are not recorded as a liability at the time of receipt and recording of invoice. Consequently, the impact of closing vendor balance and the corresponding expenditure/asset balances is not ascertainable in the absence of information and explanations.</p>	<p>Since the ERP is implemented in phased manner during FY 2021-22, certain transactions were carried out through manual process. The circles are being instructed to book the gross value, recoveries, net liability separately, so as to exhibit the vendor liability properly. Suitable accounting will be arranged to be rectified hence forth by the respective circles.</p>
28.	<p>The balance of vendors prior to implementation of ERP in most of the account rendering units have not been recorded in respective vendor's sub-ledgers and recorded only in the vendor control account in the general ledger. However, subsequent payments to vendors against such opening balances have been recorded in the respective sub-ledgers. Consequently, we are unable to confirm the vendor wise balances outstanding as at the</p>	<p>Since the ERP is implemented in phased manner during FY 2021-22, the vendors sub-ledgers are updated partially through ERP process and partially in manual process. Measures will be taken to reconcile the vendor outstanding after proper reconciliation by the circles.</p>

Sl.No	Auditors Observations	Management Reply
	year end as well the ageing of such balances which is required to be disclosed as per Schedule III of Companies Act, 2013.	
29.	Provision of salaries for employee transferred between account rendering units are not properly accounted in ERP at various account rendering units. The consequent impact of such non provision on the Statement of Profit and Loss account for the year is not ascertainable in the absence of information and explanations.	The Salary for the transferred employees will be claimed on actual basis, in the circle in which such employees are joined and thus, there is no necessity to create provision for the salary liability for employees transferred between units of the circles.
30.	Belated payment surcharge payable amounting to Rs 5,421.26 Crores has not been provided for by the Company.	Since the liability of BPSC are not mutually accepted between TANGEDCO & Vendors, such liability are disclosed as contingent liability, till its final reconciliation and acceptance.
31.	<p>Reference is drawn to Note 51 - Contingent liabilities, wherein the Company is required to recognise and provide for the following liabilities in the books of account and the same has not been done:</p> <p>a) Impact of Frauds and Embezzlements detected in preceding years amounting to Rs 20.63 Crores,</p> <p>b) Water Cess payable to TN Pollution Control Board upto the year ended 31st March 2022 amounting to Rs 696.65 Crores,</p> <p>c) Lease rent payable to TN Forest department amounting to Rs 888.00 Crores,</p> <p>d) Lease rent payable to Port amounting to Rs. 158.02 Crores,</p> <p>e) Reference is drawn to Note 73 – Other notes regarding non-moving / obsolete stores amounting to Rs 53.88 Crores,</p>	<p>As a company policy, the recovery of dues towards Embezzlements / thefts are fixed with the concerned staff in charge and suitable proceedings are being taken to recover the loss, if any and duly disclosed in notes.</p> <p>Proposal seeking exemption from water cess payable to TNPCB is under active consideration with GoTN.</p> <p>Negotiation is being conducted to reassess the quantum of arrears of lease rent, with Forest Department / GOTN.</p> <p>Negotiation is being conducted to reassess the quantum of dues to port authorities.</p> <p>The Obsolete and non-moving items will be auctioned as a regular process, and relevant profit or loss on sale will be brought into revenue account, only after auction process over.</p>

Sl.No	Auditors Observations	Management Reply
	<p><i>f)</i> Liability for default and delay in remittance of Tax Deduction liabilities under the Income Tax Act, 1961 amounting to Rs 8.81 Crores,</p> <p><i>g)</i> Grade slippage bills received from coal vendor amounting to Rs.16.60 Crores</p> <p><i>h)</i> Balance of GST amount charged by M/s. BHEL for construction of SEZ project in Ennore amounting to Rs 122.07 Crores, after considering an amount of Rs. 70.83 Crores which was paid on Adhoc basis subject to the final decision to be taken by the board.</p>	<p>TDS defaults in several TANs in circles are being rectified through special drive and such defaults are getting reduced.</p> <p>Since the debit/credit note from the coal vendors are being received belatedly the admission of such claims are not brought into accounts. However proper adjustments were made against the liabilities on admission of such claims.</p> <p>Since deliberations between TANGEDCO and M/s.BHEL is under process and thus the quantum of Rs.122.07 crores is shown under contingent liabilities.</p>
32.	<p>Reference to Note 58 regarding contract awarded to Lanco Infratech ("Lanco") by the Company and terminated due to non-performance, in respect of which bank guarantee amounting to Rs 723.00 Crores was invoked by the Company and the same was accounted as income in prior years. In the proceedings of Corporate Insolvency Resolution process initiated against Lanco, NCLT approved Rs 708.38 Crores against the company claims. In respect of the excess amount of Rs 14.62 Crores recovered through the bank guarantee invoked, the Company is required to provide for the excess amount to be refunded in the books of accounts. This has an effect of overstatement of retained earnings and understatement of current liabilities to that extent.</p>	<p>The excess amount realised through bank guarantee of Rs.14.62 crores is shown under contingent liabilities as the claims from liquidator is pending to be finalised before Hon'ble NCLAT.</p>
33.	<p>Reference is drawn to Note 20 – Current financial liabilities – Borrowings regarding a sum of Rs 23.04 Crores being short provision of penal interest upto the yearend on principal amount payable in respect of Ways and Means Advance of Rs 1,000 Crores obtained from the Government of Tamil Nadu. This has resulted in understatement of Other Financial Liabilities</p>	<p>The short provision of penal interest on ways and means advance from government will be provided in FY 2022-23.</p>

Sl.No	Auditors Observations	Management Reply
	and interest expense under finance cost (Note 30) to that extent.	
34.	<p>Statutory Liabilities</p> <p>The staff wise balances of General Provident Fund (GPF)/Contributory Pension Scheme (CPS) as maintained in the physical registers/HR module in SAP does not reconcile with the books of account. In the absence of adequate information, the difference and the correctness of interest liability recognized in the books of account could not be confirmed. Further, in respect of CPS scheme, the recovery at agreed proportion of 1/7th of total expense from TANTRANSCO has not been recovered from them in accordance with the Company's policy of apportionment of employee liability.</p>	<p>Now, Employee cutover data for GPF /CPS has been updated in ERP and interest on GPF/CPS is being generated in ERP itself. In certain cases, the cut over data are yet to be reconciled, which is expected to be completed at the earliest.</p> <p>The interest is being calculated based on the individual broad sheets maintained for each employees for GPF/CPS and accounted.</p> <p>The recovery of CPS scheme at 1/7th of total expenses from TANTRANSCO does not arise as the respective company booked such expenditure and proportion of about 1/7th is applicable only for pension commitments.</p>
35.	The Company's books of account have not been reconciled with the reported values of Turnover and Input Tax Credit availed under the GST Act, the impact of which is not ascertainable as also the corresponding liability if any.	The Turnover as per books of Accounts will be matched with Turnover as per GST returns only after completion of GST audit for the FY 2021-22. But the liability of GST are being remitted in full based on reports compiled from circles, duly filing GSTR 3B.
36.	Payment towards Labour Welfare Fund recoveries have not been properly accounted in the books of account.	The Labour Welfare Fund recoveries and its remittance to the Manual Labour Welfare Fund Board by the Circles are to be reconciled.
37.	Provision for bonus and ex-gratia made in the books of account of various account rendering units do not correspond to the statements and documents provided by the unit.	The Bonus and Ex-gratia provided as expenses based on the No. of eligible Employees working in the circle. on incurring of actual Bonus and Ex-gratia in the subsequent year, the excess or short will be adjusted.
38.	<p>Deposit Contribution Works (DCW)</p> <p>Reference is drawn to Note 25 - Revenue from operations, wherein an amount of Rs 1527.03 Crores (Previous year Rs 1618.35 Crores) has been recognised as income during the year under the head 'Income from other services provided to customers'. This represents moneys collected from its consumers against cost of infrastructure and other works against which the company has an obligation to perform. In the absence of information and explanations, we are unable to ascertain whether performance</p>	The amount collected from consumers towards DCW works will be treated as income only on completion of the services to be rendered and recognition of consumer contribution as income is reasonable.

Sl.No	Auditors Observations	Management Reply
	obligation have been completed by the Company in respect of such amounts recognised as income in accordance with recognition principles contained in Ind AS 115 – Revenue from contract with customers.	
39.	There are old balances of various asset and liability general ledgers whose values aggregate to Rs 1,826.51 Crores and Rs 9,048.80 Crores respectively as at the yearend appearing as legacy balances without having any movement in most of the account rendering units. These general ledgers balances have been categorised under various assets and liabilities in the Financial statements for the year ended 31 st March 2022 in respect of which no information or explanations have been provided. Consequently, we are unable to confirm the accuracy of such asset and liability balances and whether there is any impact on the Statement of Profit and Loss for the year ended 31 st March 2022.	While implementing the ERP during FY 2021-22 in a phased manner, there were both ERP process route as well as manual processing of transactions that led to creation of process related General ledgers as well as manual journal purpose General ledgers. The updation of the vendor balances have been made in most of the cases and further updation, if any, is under process. Suitable reconciliation with the books will be arranged for appropriate accounting as required.
40.	Transactions relating to Co-generation facilities during the year have not been accounted in the books of accounts.	Appropriate journalisation of Co-Gen facility will be carried out in FY 2022-23
41.	In Tirunelveli account rendering unit (EDC) in the previous year audited accounts an accounting entry for an expenditure amounting to Rs.420.88 Crores was made without proper approval which may have impacted the previous year audited financial statement and consequently the current year financial statement also.	This accounting was made during FY 2020-21 by the circles after completion circle audit. However the consolidated financials of FY 2020-21 has duly considered this journal entry of Rs.420.88 Crores and as such the impact of such journal entry carried forward in the financials of FY 2021-22.
42.	Balance confirmation in respect of advance payments made to coal suppliers have not been provided.	The reconciliation with coal companies is done up-to FY 2020-21. The reconciliation from FY 2021-22 to be done in MCL Portal, there are three stages quantity, quality and finance after completion of the 1st two stages the finance to be reconciled. Now the quality check is under process and consequently the confirmation of balance will be obtained from the coal suppliers.
43.	Statutory Compliance The Company does not comply with Provident Fund and Miscellaneous	Since the company has not finalised its Employees Transfer scheme under Restructuring of erstwhile TNEB and

Sl.No	Auditors Observations	Management Reply
	Provisions Act, 1952 as regards investment of the employees' contributions to various terminal benefit funds including Family Benefit Funds, General Provident fund and Contributory Pension Scheme with matching contributions by the Company in accordance with the Act.	continuing to adopt the pension schemes notified by State Government, the existing system of maintaining funds with TANGEDCO is being adopted.
44.	The Company has not prepared and annexed a Consolidated Financial Statement of its accounts with Udangudi Power Corporation Limited, NTPC Tamilnadu Energy Company Ltd., (NTECL) and NLC Tamilnadu Power Ltd., (NTPL) which is not in accordance with Companies Act, 2013.	Udangudi Power Corporation Ltd is under merger process and the legal formalities are going on. Thus the financials of UPCL till FY 2021-22 is not consolidated. In case of other joint venture and associated companies, the consolidation of books of accounts could not be carried out in FY 2021-22 due to the restricted time line for adoption of TANGEDCO books of accounts through voluntary revision of accounts based on the Hon'ble NCLT order.
45.	Actuarial valuation In the absence of documents and information substantiating the validation of employees and pensioners master data and benefit paid against obligation as well as the assumption used for the valuation including salary growth rate, discount rate used, we are unable to confirm the completeness and accuracy of such data provided to the actuary for valuing gratuity liability, pension liability, earned leave liability, leave on private affairs liability. Consequently, we are unable to confirm the accuracy of provision for employee benefits.	In the actuarial valuation process, a consultant has been engaged to access the actuarial liability for gratuity liability, pension liability, earned leave liability, leave on private affairs liability. The base line data on the employees profile, pensioners profile and family pensioners profile as required by the actuary consultant based on which detailed report has been submitted and adopted by the Board. Such actuarial liability is brought into books of account during the year FY 2021-22 and to be considered as acceptable estimation of liability as management policy.
46.	The value of provision made for employee benefits by the Company in the books of account falls short by Rs 672.53 Crores as compared to the total liability required to be made as per the Company's policy of apportionment of employee liability at the rate of 6/7 th of the total liability.	The actuarial valuation report is prepared for the entire employees, pensioners and family pensioners pertaining to TANGEDCO and TANTRANSCO employees. As conventionally followed by the management the proportion of about 1/7 th to TANTRANSCO and about 6/7 th to TANGEDCO is justifiable. The variations have arisen due to timing difference in closing the annual accounts of both companies. If liability of TANGEDCO is independently accounted with out considering the portion of liability already created in TANTRANSCO, the books would show increased liability than what is to be booked in both companies together, as per the final actuarial valuation report. This will be off set during FY 2022-23.

Sl.No	Auditors Observations	Management Reply
47.	<p>Inter Company /Inter Unit</p> <p>As regards Inter Company and Inter Unit balances with Tamil Nadu Transmission Corporation Limited (TANTRANSCO) and TNEB Limited,</p> <p>a) Reference is drawn to Note 24 regarding an amount of Rs. 4,137.91 Crores shown under other current liabilities (Previous Year Rs 693.61 Crores in Note 13 – Other Current Assets) representing unreconciled interunit balances.</p> <p>b) Reference is drawn to Note 11 regarding unreconciled balance of Rs. 284.75 Crores with TANTRANSCO as at the year end.</p>	<p>Appropriate inter unit reconciliation will be carried out on the transactions of mail transfers between circles to head quarters, centralised payments from head quarters to circles, misclassification of transactions etc.</p> <p>The reconciliation of inter company transactions are regularly carried out and being adjusted.</p>
48.	<p>Schedule III - Companies Act, 2013</p> <p>The Company does not maintain a list of vendors who are categorised as MSME and registered under MSMED Act, 2006. Consequently, we are unable to ascertain whether the provisions of MSMED Act have been fully complied as regards transactions including settlement of dues within the time limits prescribed under that Act and payment/provision of prescribed interest for delayed settlements. The value of overdue and interest payable and the consequent impact on the Statement of Profit and Loss is not ascertainable in the absence of adequate information and explanations.</p>	<p>The list of MSME vendors are manually maintained. While issuing orders for purchase of materials, the vendors will give supporting documents for their MSME status. The contracts have prescribed clauses for payment, if the vendors are under MSME category. However, TANGEDCO is under active process to update the vendor master data in ERP, with MSME status along with the period up to which they are valid.</p>
49.	<p>In the absence of information and explanations, we are unable to confirm whether trade receivable balances have been classified according to their tenure of outstanding and nature of dispute, if any, in accordance with Schedule III of the Companies Act, 2013.</p>	<p>The trade receivables (debtors) are being maintained and updated regularly in the LT and HT packages. The age wise analysis of trade receivable were disclosed under note no.41.</p>
50.	<p>In the absence of information and explanations, we are unable to confirm whether trade payable balances have been classified according to their tenure of outstanding and nature of dispute in respect of MSME vendors, if any, in accordance with Schedule III of the Companies Act, 2013.</p>	<p>The aging of trade payables has been disclosed in note no.41. However TANGEDCO is in the process of reconciling vendor wise including MSME trade payables.</p>

Sl.No	Auditors Observations	Management Reply
51.	Balances lying in Capital Work in Progress have not been classified according to their tenure in accordance with Schedule III of the Companies Act, 2013.	Efforts will be taken enable proper facility in ERP for disclosing capital work in progress based on its tenure.
52.	Information relating to intangible assets under implementation including time and cost overrun have not been disclosed in accordance with Schedule III of the Companies Act, 2013.	Efforts will be taken for disclosing intangible assets under implementation.
53.	Disclosures relating to working capital limits obtained by the Company on the basis of security of current assets have not been disclosed in accordance with Schedule III of the Companies Act, 2013.	Efforts will be taken for disclosing working capital limits obtained by the TANGEDCO on the basis of security of current assets.
54.	In the absence of information and explanation, we are unable to confirm whether disclosure relating to title deeds of land have been fully disclosed in accordance with Schedule III of the Companies Act, 2013.	Efforts are being taken to transfer of title deeds in the name of TANGEDCO for the lands which are in the name of Government/local bodies and other departments. The details of title deeds are disclosed in Note No.4a
55.	Information relating to Registration of charges or satisfaction with Registrar of Companies has not been disclosed in accordance with Schedule III requirements.	Efforts will be taken for proper disclosure on the Registration of charges or satisfaction with Registrar of Companies.
56.	Reasons for major variance (More than 25%) in disclosure of financial ratios have not been disclosed in accordance with Schedule III requirements.	Detailed analysis of major variations will be carried and disclosed in the ensuing financials.
57.	<p>Borrowings</p> <p>Reference is drawn to Note 10 – Financial assets – cash and bank balances which include transactions during the year in cash credit from banks accounts and consequent balance as at the yearend have been grouped under the head balances with bank – on current account while the opening balance of cash credit from banks as at 1st April 2021 of Rs 5,860.82 Crores have been disclosed under Note 20 – Current financial liabilities – borrowings. Consequently, balances with bank – on account and cash credit from banks have not been disclosed correctly.</p>	<p>The transactions carried out during the year 2021-22 in the cash credit are accounted in the respective bank current accounts. In order to disclose the cash credit liability the balance has been segregated from the cash and bank balances. During the year 2021-22 the cash credit balance has to be updated from the bank accounts. This will be rectified in FY 2022-23.</p>

Sl.No	Auditors Observations	Management Reply
58.	<p>Finance Cost</p> <p>Reference is drawn to Note 10 relating Finance cost – other borrowing cost is understated by Rs. 1.34 Crore due to short provision of interest on CPS/GPF balance as on 31st March 2022 resulting in understatement of liability and loss by Rs 1.34 Crores in respect of certain account rendering units.</p>	<p>In the Note No.30 , the short provision of interest on CPS/GPF balance as on 31st March 2022 by the various circles will be rectified suitably.</p>
59.	<p>Financial Assets</p> <p>Reference is drawn to Note 9 Financial assets – Trade Receivables, wherein Rs. 294.93 Crores representing amounts shown as due from Puduchery Electricity Department has not yet been written off in the books of account and consequently Trade receivable balances are overstated and loss understated to that extent.</p>	<p>Suitable action will be taken and adjusted in FY 2022-23.</p>
60.	<p>In certain account rendering units, customer collections have not been properly applied towards their respective dues. Consequently, trade receivable balances appear in negative balances as at the yearend in the books of account of such units and we are unable to confirm the correctness of Trade Receivables balance for the Company as a whole.</p>	<p>The general ledger for debtors for various categories of consumers (LT and HT) have been created in the ERP modules. While accounting the assessments as well as collections, some circles would have accounted common debtors GL which led to negative balance in certain account heads. Due rectification of errors between debtors GLs will be arranged to be made.</p>
61.	<p>Reference is drawn to Note 9 – Financial Assets – Trade receivables which includes unreconciled receivables from HT consumers of Rs 65.49 Crores (Previous Year Rs 65.49 Crores) and LT consumers Rs 1,932.39 Crores (Previous Year Rs 1,932.39 Crores). Further, we are unable to confirm whether proper reconciliation exercise for receivables from HT and LT consumers have been carried out during the year and the correctness of Trade Receivables balance as at the yearend.</p>	<p>The TANGEDCO is in the process of reconciling the receivables from HT and LT consumers and appropriate adjustment journals will be made in the books of accounts.</p>
62.	<p>In respect of certain account rendering units, imprest and temporary advance given to the employees are not adjusted on a timely basis due to delay in submission of bills and supporting documents by the</p>	<p>The imprest and temporary advance are being closed within the time line by the employees. The delay in submission of bills will be avoided through issue of suitable guidelines from head quarters.</p>

Sl.No	Auditors Observations	Management Reply
	employees. The consequent impact of non-settlement of advances on a timely basis on the Statement of Profit and Loss for the year ended is not ascertainable.	
63.	The balances of employee wise loans and advances maintained at the account rendering units do not match with the balance available in the books of accounts of the Company.	Efforts are being taken for uploading the loans and advances balance (Employee wise) into the ERP.
64.	In many account rendering units, amounts prepaid are not properly adjusted and accounted in the books of account.	The prepaid expenses is brought through FB 50 - T code and will be adjusted in the relevant period through adjustment journal.
65.	Reference is drawn to Note 11 - Other Financial Asset, regarding difference in unbilled revenue of LT service connections between billing software and books of account of a few account rendering units by Rs 179.16 Crores remains unreconciled and unexplained. The differences are on account of non-reversal of previous year end accrual entries as well as non-accrual of current year revenue in respect of a few account rendering units. This has resulted in the overstatement of both revenue from operations as well other financial assets.	The year on year adjustment journal for unbilled revenue will be made every year based on the reports available in HT & LT packages. Proper rectification will be arranged to be made.
66.	Capital material consumption Reference is drawn to Note 32 - Other expenses regarding a sum of Rs 30.63 Crores (Credit) relating to capital material consumed classified under Repairs and Maintenance - Plant and Machinery. In the absence of information and explanations, we are unable to confirm whether this results in the understatement of loss in the Statement of Profit and Loss and/or correctness of the CWIP balance as at the yearend.	Due to misclassification of booking of transactions the repairs and maintenance expenditure wrongly posted to capital materials consumption account head. This will be avoided through issue of proper guidelines from head quarters.
67.	An amount of Rs 384.61 Crores representing capital materials has been transferred to CWIP balance without adequate supporting against each work order. Similarly, an amount of Rs 122.53 Crores representing revenue materials has been transferred to CWIP balance without adequate supporting against each work order. Consequently, we are unable to	CWIP balance will be analysed and Suitable adjustment will be arranged to be made.

Sl.No	Auditors Observations	Management Reply
	confirm the correctness of CWIP balance as at the yearend.	
68.	<p>Depreciation</p> <p>In most of the account rendering units, depreciation has not been provided in respect of legacy balances as well as additions during the year posted manually, impact of which cannot be quantified in the absence of information and explanations.</p>	Due to implementation of ERP in the phased manner, manual posting of fixed assets viz furniture, vehicles, office equipments, and their depreciation were carried out by few circles.
69.	<p>Grants</p> <p>A sum of Rs 23.60 Crores representing grants received from World Bank in respect of Dam Rehabilitation and Improvement Project (DRIP) Scheme has been incorrectly accounted under inter unit accounts and not recognised in accordance with Ind AS 20 – Government Grants.</p>	Suitable rectification of inter unit account with that of grant will be arranged to be carried out.
70.	<p>Cash/Bank</p> <p>Bank Reconciliation has not been done for many bank accounts at various account rendering units and Headquarters. Further, closing balance of banks in various account rendering units shows huge credit balance for which no information and explanations were provided.</p>	Effective followup action will be initiated from head quarters for ensuring regular bank reconciliation and proper adjustment of bank balances prevailing in the circles.
71.	At Headquarters, no entries have been accounted for payment made during the year for deductions towards LIC, GPF, society, PLI made from employees because of an ERP error. Consequently, bank balances remain unreconciled.	The errors in accounting of such deductions in the ERP process will be properly dealt with and adjusted.
72.	The collections from consumers through online payment gateways which are deposited into designated bank accounts have not been reconciled with books of account.	Proper measures will be taken to reconcile the online mode of collections from consumers so as to ensure proper books of accounts.
73.	Cheques in transit, cheques on hand, stale cheque and uncleared cheques remain unadjusted in respect of which no information for subsequent realisations have been made available at various account rendering units. Further, collection cheques are appearing in stale cheque account at various account rendering units	The balances under cheque in transit, cheques on hand and uncleared cheques will be arranged for rectification suitably.

Sl.No	Auditors Observations	Management Reply
	for which no information and explanations have been provided.	
74.	Balance of cash on hand shows huge balance in some account rendering units as at the yearend. Further, physical balance of cash and as per books of account remain unreconciled.	Proper guidelines will be issued for reconciliation of cash on hand balance and to ensure proper books of accounts.
75.	Balances in fixed deposits amounting to Rs 2,320.74 Crores as per confirmation of balance have not been reconciled with books of accounts.	Proper guidelines will be issued for reconciliation of fixed deposit balance and to ensure proper books of accounts.
76.	Reference is drawn to Note 10 – cash and cash equivalent, which comprises cash on hand Rs 32.45 Crores (net) and the balance represents imprest, cheques on hand, temporary advance which have been classified as cash on hand balance as at the yearend.	The imprest and temporary advance balance held with employees are clubbed with cash and bank note no.10 and disclosed under cash on hand. The cheque on hand balance has been grouped under cheques, drafts and stamps on hand.
77.	<p>Revenue</p> <p>Reconciliation of revenue between separate billing package and books of account has not been done. Consequently, the impact on both revenue and receivable balance at the yearend of certain account rendering units is not ascertainable.</p> <p>For instance, in Chennai South I account rendering unit, an amount of Rs.917.91 Crores pertaining to LT and HT have not been accounted in the books of account resulting in understatement of revenue and understatement of trade receivable balances.</p>	Effective measures are being taken for reconciling the billing package and books of accounts in all the circles.
78.	Invoices raised for sale of fly ash, scrap and mill reject coal through a separate ZEN accounting software which are not captured in books of account at various account rendering units. Consequently, the impact on both revenue and receivable balance at the yearend of certain account rendering units is not ascertainable.	Suitable action will be arranged to be taken to address this issue.
79.	<p>Purchase</p> <p>In certain accounting rendering units, invoices for purchases of solar power have not been accounted properly during the</p>	Delay in claim through invoice from vendors may have led to delay in accounting of monthly transactions, in few circles. Such omissions will be avoided through issue of guidelines from head quarters.

Sl.No	Auditors Observations	Management Reply
	year which has an impact on the Statement of Profit and Loss.	
80.	<p>The Company has not accrued for the amounts due in respect of excess O&M expenditure, capital expenditure and additional profit earned by the NLC during the years from 2009-14 based on CERC orders passed with the applicable interest from the date on which the amount in dispute was payable/refundable.</p> <p>Non-accrual of the above sum from the date of orders of the CERC has resulted in overstatement of trade payable and loss to the Company, the impact of which could not be quantified due to non-availability of relevant information and explanations.</p>	Due to pending litigation with CERC as appeal filed by NLC against CERC order dated 24.03.2022 and corrigendum order dated 26.04.2022, M/s.NLC has not submitted any credit notes towards downward revision.
81.	<p>Ind AS</p> <p>As regards compliance with Ind AS 109 - Financial Instruments, the following non-compliances were noted:</p> <ol style="list-style-type: none"> Concessional loans obtained from the government has not been measured as per the recognition and measurement principle laid as per Ind AS 109. Employee Loans of Rs 267.29 Crores has not been measured using the Effective Interest Rate as prescribed in the Ind AS 109. As per the current practice, the company applies a flat 2.5% on Trade receivable for the purpose of arriving at Expected Credit Loss (ECL). But there is no ECL framework/policy are in possession with management and no trend analysis were carried out in a way to validate the application of such 2.5%. Discount on issue of bonds has not been amortised over the tenure of the bond. 	<p>Will be arranged to be complied suitably.</p> <p>Considering the meagre quantum of impact due to effective interest rate on employees loans and advances, the management has decided to maintain the book balance.</p> <p>The Current consumption charges are being collected with utmost stringent measures and maintaining lesser credit loss and thus maintaining 2.50% provision on total debtors is adequate.</p> <p>Will be arranged to be complied suitably.</p>
82.	As regards compliance with Ind AS 116 - Leases, the Company has not measured the	TANGEDCO has classified this lease arrangement as operating lease based on the

Sl.No	Auditors Observations	Management Reply
	Right Of Use Asset and Liability as per the provisions contained in IND AS 116 - Leases with respect to the building taken on lease for the purpose of providing staff accommodation. Since the relevant details with respect to the lease is not provided to us, the financial impact of the same cannot be quantified.	principles as per para 62 of Ind AS 116, as disclosed in note no.37.
83.	As regards compliance with Ind AS 21 - Effect of Changes in Foreign Exchange rates, the Company has not measured the forex gain or loss as per the measurement principle laid down in the standard therein.	Will be arranged to be complied with after analysis.
84.	As regards compliance with Ind AS 105 - Noncurrent Assets held for sale, since the company does not have a proper system in place to identify and report the assets that are solely held for sale rather than future economic use, we are unable to comment on the compliance with respect to Ind AS 105.	TANGEDCO do not have non current assets indented for sale and kept for further economic use.



G RAMACHANDRAN & ASSOCIATES
COMPANY SECRETARIES

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

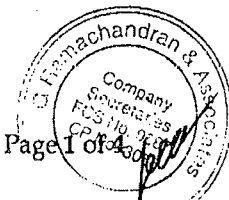
To,
The Members,
Tamilnadu Generation and Distribution Corporation Limited
CIN# U40109TN2009SGC073746
NPKRR Maaligai (TNEB Office)
144, Anna Salai
Chennai - 600002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Tamilnadu Generation And Distribution Corporation Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s. Tamilnadu Generation And Distribution Corporation Limited and also information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Tamilnadu Generation And Distribution Corporation Limited for the financial year ended on 31st March, 2022 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) SEBI (Issue and Listing of Debt Securities) Regulations, 2008
- (v) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The Electricity Act, 2003
- (vii) Environment Protection Act, 1986 and other environmental laws
- (viii) Factories Act, 1948
- (ix) Indian Boilers Act, 1923
- (x) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003

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 the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

1. We report that the Company has allotted 33,04,300 equity shares of Rs. 10 each aggregating to Rs. 3,30,43,000 in favour of TNEB Limited, during the year under review.
2. We further report that the Company has not complied with the following provisions as stipulated under the Companies Act, 2013 read with prescribed rules thereunder;
 - a) Not complied with the provisions relating to appointment of Independent Directors.
 - b) Not constituted Nomination Remuneration Committee. However, the Audit Committee and Corporate Social Responsibility committee constituted by the Company are not in line with the provisions of the Act.
 - c) Not appointed an Internal Auditor.
 - d) Not filed e-form MGT-14 for appointment of Secretarial Auditors for the financial year ended 31st March, 2022.
 - e) Not filed certain forms with Registrar of Companies including creation, modification or satisfaction of charges. Some of the Non-Filing of the forms are compoundable, some require the condonation of Regional Director or the Central Government.
 - f) The Company has not complied with any regulations stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including regulations 9, 13 and 14 in respect of the debt securities issued by the company.



We further report that

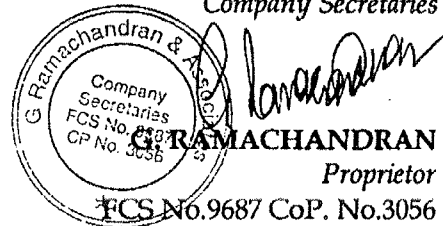
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors *except the Independent Directors*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 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 G Ramachandran & Associates
Company Secretaries



Place: Chennai
Date: 28th September, 2022
UDIN: F009687D001061914

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

The Members

Tamilnadu Generation and Distribution Corporation Limited

CIN# U40109TN2009SGC073746

NPKRR Maaligai (TNEB Office)

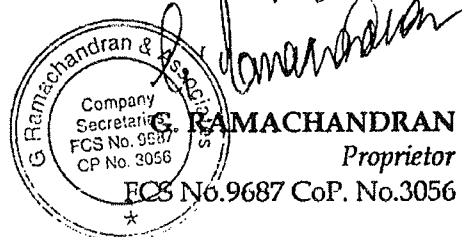
144, Anna Salai

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.
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 have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.
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 future viability of the Company not of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

For G Ramachandran & Associates
Company Secretaries



Place: Chennai

Date: 28th September, 2022

UDIN: F009687D001061914

Tamil Nadu Generation and Distribution Corporation Ltd

Secretarial Audit Query - FY 2021-22

By M/s. G. Ramachandran & Associates

Sl. No.	Queries raised by the Sec Auditor	Reply
1	Not complied with the provisions relating to appointment of Independent Directors	<p>As per MCA notification vide GSR No.463 (E) had given exemption to Sec 149(6)(c) of the Co. Act 2013 to the Government Companies.</p> <p>Subsequently General Circular issued by MCA vide circular No. 09-2017(1/22 / 2013 /CL-V) dated 05-09-2017 given exemption from appointment of Ind. Director if the Company registered under Unlisted & wholly owned Subsidiary Company.</p> <p>MCA has given explanation for Listed Company, in which, if debts alone are listed in stock exchange cannot be treated as Listed Co. Therefore, no need to appoint Independent Director. It is totally exempted, with effect from 01-04-2021, even for listing Company where debts alone are listed in stock exchange. Vide notification issued by MCA No. GSR 123(E) dated 19.02.2021.</p>
2	Not constituted Nomination Remuneration Committee. However, the audit Committee and CSR committee constituted by the Co are not in line with the provisions of the Act	<p>Chapter XII, sub-sections (1) of section 178 is also not applicable with effect from 01-04-2021 as per notification MCA No. GSR 123(E) dated 19.02.2021.</p> <p>Chapter XII, sub-sections (2), (3) and (4) of section 178. Shall not apply to Government company except with regard to appointment of 'senior management' and other employees.</p> <p>Note: Identification of the person to become director itself is exempted and thus forming NR Committee & S R committee does not arise for TANGEDCO.</p> <p>Policy also not required in formulating if it is Govt Co. Proviso also clearly stated that policy to be disclosed in the Board's report – this is exempted for Govt co.</p>

Sl. No.	Queries raised by the Sec Auditor	Reply
		However, the Company have formed CSR and Audit committee without appointing Independent Director, as there is an exemption given by MCA vide above said notification.
3	Not appointed Internal Auditor.	Engagement of external firm as internal auditors is under process and will be complied with.
4	Not filed e-form MGT 14 for appointment of Sec Auditors for the FY ended 31 st March 2022.	Complied with.
5	Not filed certain forms with ROC including Creation, modification or satisfaction of charges. Some of the Non-filing of the forms are compoundable, some require the condonation of Regional Director or the Central Government	Efforts will be taken for compliance All the Forms in respect of creation, modification and satisfaction of charges were filed.
6	The Co has not complied with any regulations stipulated under SEBI (listing obligations and Disclosure requirements) Regulation 2015 including regulation 9, 13 and 14 in respect of the debt securities issued by the Company	These regulations are related to Listing obligations. Reg 9: Preservation of documents by listing entity Reg 13: Grievance Redressal Mechanism Reg 14: Payment of fees to Stock Exchanges. Efforts will be taken for compliance.

Tamil Nadu Generation and Distribution Corporation Limited
Balance Sheet as at 31 March 2022 (Revised)

(in INR crores)

Particulars	Note	31 March 2022	31 March 2021 Restated*	1 April 2020 Restated*
ASSETS				
Non-current assets				
Property, plant and equipment	4(a)	55,867.64	58,998.89	61,283.27
Capital work-in-progress	4(a)	42,847.23	33,504.70	26,578.81
Investment property	4(b)	71.72	71.72	71.72
Other intangible assets	4(c)	1.47	0.27	0.13
Intangible assets under development	4(c)	86.72	39.91	0.53
Financial assets				
(i) Investments	5	1,774.20	1,744.20	1,735.91
(ii) Other financial assets	6	2,377.89	2,328.32	2,265.66
Other non-current assets	7	114.25	220.36	681.04
Total non-current assets		1,03,141.12	96,908.37	92,617.07
Current assets				
Inventories	8	1,922.51	2,173.89	2,297.03
Financial assets				
(i) Trade receivables	9	7,678.47	7,278.06	6,629.84
(ii) Cash and cash equivalents	10	2,934.75	4,110.89	2,199.62
(iii) Other financial assets	11	18,340.04	19,833.60	16,597.04
Current tax assets	12	41.16	20.43	11.12
Other current assets	13	1,988.01	969.76	552.38
Total current assets		32,904.94	34,386.63	28,287.03
TOTAL ASSETS		1,36,046.06	1,31,295.00	1,20,904.10
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	14	20,061.17	20,057.87	20,057.87
Other equity	15	(1,51,542.23)	(1,38,634.95)	(1,25,844.97)
Total equity		(1,31,481.06)	(1,18,577.08)	(1,05,787.10)
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16	1,04,138.74	1,01,203.71	82,560.68
(ii) Other financial liabilities	17	6,831.97	4,922.25	4,283.99
Provisions	18	38,323.66	34,515.64	35,275.68
Other non-current liabilities	19	1,917.70	6,158.59	10,595.28
Total non-current liabilities		1,51,212.07	1,46,800.19	1,32,715.63

Tamil Nadu Generation and Distribution Corporation Limited
Balance Sheet as at 31 March 2022 (Revised)

(in INR crores)

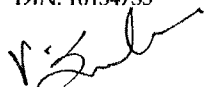
Particulars	Note	31 March 2022	31 March 2021 Restated*	1 April 2020 Restated*
Current liabilities				
Financial liabilities				
(i) Borrowings	20	51,188.49	40,750.49	33,962.75
(ii) Trade payables	21			
- Total outstanding dues of micro enterprises		104.87	63.43	71.62
- Total outstanding dues of creditors other		30,907.37	31,729.32	31,213.34
(iii) Other financial liabilities	22	22,006.42	21,826.57	21,344.83
Provisions	23	3,511.50	4,473.62	4,339.22
Other current liabilities	24	8,596.40	4,228.46	3,043.81
Total current liabilities		116,315.05	103,071.89	93,975.57
TOTAL EQUITY AND LIABILITIES		136,046.06	131,295.00	120,904.10

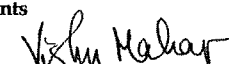
* The comparative information is restated on account of correction of errors. See Note 76

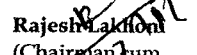
See accompanying notes to the financial statements


K. Malavizhi
 (Director/Finance)

DIN: 10154735


V. Savitha
 (Chief Financial Controller/Ind AS)

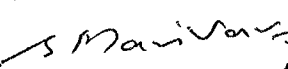

Vishu Mahajan
 (Joint Managing
 Director/Finance)


Rajesh Lakshmi
 (Chairman/Managing Director)
 DIN: 01288879


D. Suresh Kumar
 Company Secretary

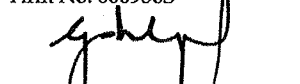
As per our report of even date

For Khicha & Prabhu Kesavan
 Chartered Accountants
 Firm No. 050108S


 (CA S. Manivannan)
 Partner
 M. No. 201633

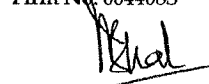


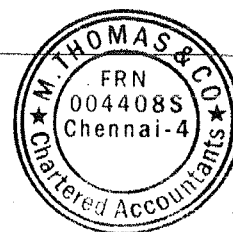
For K. Gopal Rao & Co.
 Chartered Accountants
 Firm No. 000956S


 (CA Madan Gopal Narayanan)
 Partner
 M. No. 211784

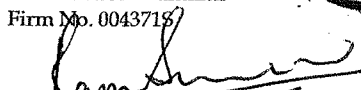


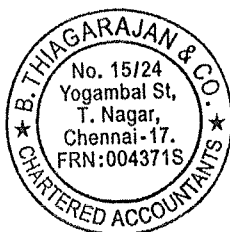
For M. Thomas & Co.
 Chartered Accountants
 Firm No. 004408S


 (CA J.P.J. Kamalesh)
 Partner
 M. No. 201093



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


 (CA Ram Srinivasan)
 Partner
 M. No. 220112



Place: Chennai
 Date: 30.08.2023

Tamil Nadu Generation and Distribution Corporation Limited
Statement of Profit and Loss for the year ended 31 March 2022 (Revised)

(in INR crores)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021 Restated*
Income			
Revenue from operations	25	56,994.48	48,920.92
Other income	26	5,804.87	5,313.25
Total income		62,799.35	54,234.17
Expenses			
Cost of power purchase	27	39,365.23	38,459.76
Cost of power generation	28	7,875.54	5,566.37
Employee benefit expenses	29	8,430.40	7,386.69
Finance costs	30	10,923.25	10,892.96
Depreciation and amortization expenses	31	3,810.18	3,876.92
Other expenses	32	1,525.11	1,117.50
Total expenses		71,929.71	67,300.20
Profit (loss) before tax		(9,130.36)	(13,066.03)
Tax expense:	33		
Current tax		-	-
Deferred tax		-	-
Profit (loss) for the year		(9,130.36)	(13,066.03)
Other comprehensive income			
Items that will not be reclassified to profit or			
Remeasurement of defined benefit plan		(3,865.26)	275.57
Income tax relating to items that will not be		-	-
Total other comprehensive income for the year		(3,865.26)	275.57
Total comprehensive income for the year		(12,995.62)	(12,790.46)
Earnings per equity share	34		
Basic		(4.55)	(6.51)
Diluted		(4.55)	(6.51)

* The comparative information is restated on account of correction of errors. See Note 76

See accompanying notes to the financial statements

K. Malarvizhi
(Director/Finance)

DIN: 10154735

V. Savitha
(Chief Financial Controller/Ind AS)

Vishu Mahajan
(Joint Managing
Director/Finance)

D. Suresh Kumar
Company Secretary

Rajesh Lakshmi
(Chairman cum
Managing Director)
DIN: 01288879

As per our report of even date

For Khicha & Prabhu Kesavan
Chartered Accountants
Firm No. 0501085

(CA S. Manivannan)
Partner
M. No. 201633

For K. Gopal Rao & Co.
Chartered Accountants
Firm No. 00956S

(CA Madan Gopal Narayanan)
Partner
M. No. 211784

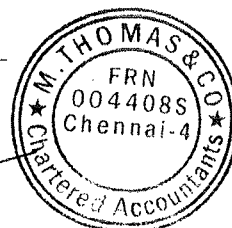
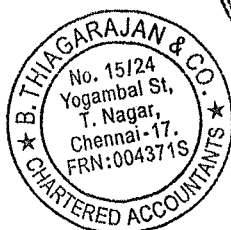
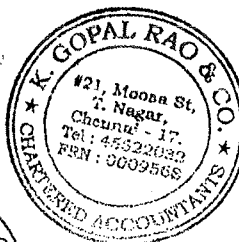
For M. Thomas & Co.
Chartered Accountants
Firm No. 009408S

(CA J.P.J. Kamalesh)
Partner
M. No. 201093

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

(CA Ram Srinivasan)
Partner
M. No. 220112

Place: Chennai
Date:



Tamil Nadu Generation and Distribution Corporation Limited
Statement of Cash Flows for the year ended 31 March 2022 (Revised)

(in INR crores)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021 Restated*
Cash flow from operating activities		
Net profit (loss) before tax	(9,130.36)	(13,066.03)
Adjustments for:		
Depreciation and amortization	3,810.18	3,899.62
Interest income	(244.15)	(166.99)
Finance costs	10,923.25	10,892.96
Transfer to other reserves	88.34	0.48
Net loss on foreign currency transactions	-	-
Reversal of impairment loss	-	(2.80)
Operating profit before working capital changes	5,447.26	1,557.24
Working capital adjustments:		
(Increase) decrease in inventories	251.38	123.14
(Increase) decrease in trade receivables	(400.41)	(648.22)
(Increase) decrease in other financial assets	1,493.56	(3,236.56)
(Increase) decrease in current tax assets	(20.73)	(9.31)
(Increase) decrease in other current assets	(1,018.25)	(417.38)
Increase (decrease) in other non-current liabilities	(4,240.89)	(4,436.69)
Increase (decrease) in trade payables	(780.51)	507.79
Increase (decrease) in other financial liabilities	(15,880.47)	(739.18)
Increase (decrease) in other current liabilities	4,367.94	1,184.65
Increase (decrease) in provisions	(1,019.36)	(351.99)
Cash generated from (used in) operations	(11,800.48)	(6,466.51)
Income taxes paid (net)	-	-
Net cash flow from (used in) operating activities (A)	(11,800.48)	(6,466.51)
Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including capital advances, intangible assets and investment property	(574.30)	(1,182.72)
Acquisition or construction of capital work-in-progress	(9,342.53)	(6,925.89)
Acquisition or construction of intangibles under development	(46.81)	(39.38)
Proceeds from sale of property, plant and equipment	0.28	30.82
Acquisition of investments	(30.00)	(8.29)
Investment in fixed deposits	(49.32)	(63.02)
Payment of commitment advance for projects	(0.25)	2.28
Interest received	244.15	166.99
Net cash flow from (used in) investing activities (B)	(9,798.78)	(8,019.21)

Tamil Nadu Generation and Distribution Corporation Limited
Statement of Cash Flows for the year ended 31 March 2022 (Revised)

(in INR crores)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021 Restated*
Cash flow from financing activities		
Net receipts from / repayment of borrowings	31,343.07	27,289.95
Proceeds from issue of equity share capital	3.30	-
Finance costs paid	(10,923.25)	(10,892.96)
Net cash flow from (used in) financing activities (C)	20,423.12	16,396.99
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,176.14)	1,911.27
Cash and cash equivalents at the beginning of the year	4,110.89	2,199.62
Cash and cash equivalents at the end of the year	2,934.75	4,110.89
Reconciliation of cash and cash equivalents as per statement of cash flows		
Cash and cash equivalents		
Balances with banks		
Balance in current account	2,439.13	3,944.01
Deposits with original maturity of less than three months	11.62	10.77
Cheques and drafts on hand	72.37	74.56
Cash on hand	411.63	81.55
	2,934.75	4,110.89

See accompanying notes to the financial statements

K. Malarvizhi
K. Malarvizhi
 (Director/Finance)

DIN: 10154735

V. Savitha
V. Savitha
 (Chief Financial Controller/Ind AS)

Vishu Mahajan
Vishu Mahajan
 (Joint Managing
 Director/Finance)

Rajesh Lakshmi
Rajesh Lakshmi
 (Chairman cum
 Managing Director)
 DIN: 01288879

D. Suresh Kumar
D. Suresh Kumar
 Company Secretary

As per our report of even date

For Khicha & Prabhu Kesavan
 Chartered Accountants
 Firm No. 050108S

S. Manivannan
(CA S. Manivannan)
 Partner
 M. No. 201633



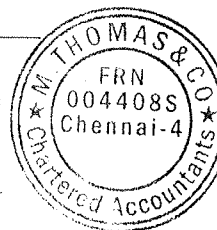
For K. Gopal Rao & Co.
 Chartered Accountants
 Firm No. 000956S

K. Gopal Rao
(CA Madan Gopal Narayanan)
 Partner
 M. No. 211784



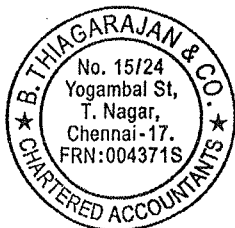
For M. Thomas & Co.
 Chartered Accountants
 Firm No. 004408S

M. Thomas
(CA J.P.J. Kamallesh)
 Partner
 M. No. 201093



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

B. Thiagarajan
(CA Ram Srinivasan)
 Partner
 M. No. 220112



Place: Chennai
 Date: 30.08.2023

Tamil Nadu Generation and Distribution Corporation Limited
Statement of Changes in Equity for the year ended 31 March 2022 (Revised)

(in INR crores)

A. Equity share capital

Particulars	No. of shares	Amount
Balance as at 1 April 2020	20,057,872,273	20,057.87
Changes in equity share capital during the year		
Add: Issued during the year	-	-
Balance as at 31 March 2021	20,057,872,273	20,057.87
Balance as at 1 April 2021	20,057,872,273	20,057.87
Changes in equity share capital during the year		
Add: Issued during the year	3,304,300	3.30
Balance as at 31 March 2022	20,061,176,573	20,061.17

B. Other equity

Particulars	Reserves and surplus		Total
	Retained earnings	Other reserves	
Balance as at 1 April 2020	(125,852.70)	7.73	(125,844.97)
Profit / (loss) for the year	(13,066.03)	0.48	(13,065.55)
Other comprehensive income:			
Remeasurement gain / (loss) of defined benefit plans, net of	275.57	-	275.57
Balance as at 31 March 2021	(138,643.16)	8.21	(138,634.95)
Balance as at 1 April 2021	(138,643.16)	8.21	(138,634.95)
Profit / (loss) for the year	(9,130.36)	88.34	(9,042.02)
Other comprehensive income:			
Remeasurement gain / (loss) of defined benefit plans, net of tax	(3,865.26)	-	(3,865.26)
Balance as at 31 March 2022	(151,638.78)	96.55	(151,542.23)

See accompanying notes to the financial statements

K. Malarvizhi
K. Malarvizhi
(Director/Finance)
DIN: 10154735

Vishu Mahajan
Vishu Mahajan
(Joint Managing Director/Finance)

Rajesh Lakshmi
Rajesh Lakshmi
(Chairman cum Managing Director)
DIN: 01288879

V. Savitha
V. Savitha
(Chief Financial Controller/Ind AS)

D. Suresh Kumar
D. Suresh Kumar
Company Secretary

As per our report of even date

For Khicha & Prabhu Kesavan

Chartered Accountants

Firm No. 050108S

S. Manivannan
(CA S. Manivannan)

Partner
M. No. 201633

For K. Gopal Rao & Co.

Chartered Accountants

Firm No. 000956S

K. Madan Gopal Narayanan
(CA Madan Gopal Narayanan)

Partner
M. No. 211784

For M. Thomas & Co.

Chartered Accountants

Firm No. 004408S

(CA J.P.J. Kamalesh)
(CA J.P.J. Kamalesh)

Partner
M. No. 201093

For B. Thiagarajan & Co.

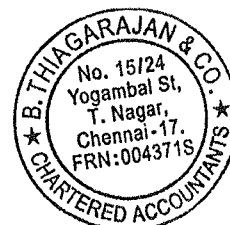
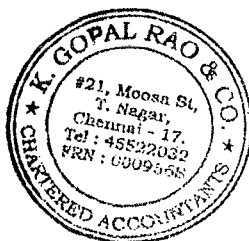
Chartered Accountants

Firm No. 004371S

(CA Ram Srinivasan)
(CA Ram Srinivasan)

Partner
M. No. 220112

Place: Chennai
Date: 30.08.2023



Tamil Nadu Generation and Distribution Corporation Limited

Notes to the financial statements for the year ended 31 March 2022

1. Corporate information

Tamil Nadu Generation and Distribution Corporation Limited ("the Company" or "TANGEDCO") is domiciled in India and incorporated on 1 December 2009 under the provisions of the Companies Act, 1956.

The Company is a subsidiary of TNEB Limited ("TNEB"), a government of Tamil Nadu undertaking. The Company has emerged out of the scheme known as Tamil Nadu Electricity (Reorganization and Reforms) Transfer Scheme notified by the Government of Tamil Nadu and is engaged in the business of generation and distribution of power throughout the state of Tamil Nadu. The Company has its registered office in NPKRR MAALIGAI (TNEB Office), 144 Anna Salai, Chennai 600 002.

2. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by the Board of Directors on XX XXXX 2023.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crore (up to two decimals), unless otherwise stated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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d. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(a) - direct overheads attributable to Property, Plant and Equipment ("PPE");
- Note 3(d) - determination of non-current asset held for sale;
- Note 3(k) - leases: whether an arrangement contains a lease;
- Note 3(k) - lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3(a) - useful lives of property, plant and equipment;
- Note 3(d) - determination of fair value less cost to sell of the disposal group on the basis of significant unobservable inputs.
- Note 3(f) - determination of Effective Interest Rate ("EIR");
- Note 3(f) and Note 3(h) - impairment of financial and non-financial assets;
- Note 3(f) - estimation of expected credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument;
- Note 3(i) - measurement of defined benefit obligations; key actuarial assumptions;
- Note 3(l) - estimations used for determination of tax expenses and tax balances;
- Note 3(l) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 3(p) - recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

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e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (12 months) and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, *Presentation of Financial Statements*.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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Notes to the financial statements for the year ended 31 March 2022

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

3. Significant accounting policies

a. Property, plant, and equipment

i. Initial recognition and measurement

PPE has been taken at the transfer price in respect of the assets transferred by the State Government vide G.O. Notification No. 49 with effect from 13 August 2015.

Items of PPE are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, capitalised borrowing costs and estimated costs of dismantling and removing the item and restoring the site on which it is located.

In case of generating circles, the assets are constructed by respective circles. But, in case of distribution circles, the assets are constructed either by General Construction Circles ("GCCs") or by respective circle itself.

In cases where the assets are constructed by GCCs, the entire cost of (such as their staff expenses, administrative expenses, etc) gets allocated to the asset constructed in proportion to the total cost of assets constructed during the year. However, in case the assets are constructed by the respective circles, the Company identifies the actual direct overheads incurred to bring the assets to its intended use including labour and allocates the same to the cost of asset constructed. At present, 4.29% is allocated towards overheads to the cost of

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asset constructed by circles. The above percentage of allocation of overheads will be reviewed for accurate estimates, periodically, as and when decided by management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Items of spare parts, stand-by equipment and servicing equipment which meet the definition of PPE are capitalized. Consumable spare parts are carried as inventory and recognized in the Statement of Profit and Loss on consumption.

On transition to Ind AS in FY 2020-21, the Company has elected to fair value the major class of assets which includes land and land rights, buildings, civil works, plant and machinery and lines and cables existing as on the date of transition (1 April 2019) and consider it as their deemed cost of such PPE in accordance with Ind AS 101. For other asset categories which includes hydraulics works, furniture & fittings, office equipments and vehicles that were not fair valued has been taken at their Ind AS value as on 1 April 2019.

In respect of co-generation plant related assets belonging to Co-Operative Sugar Mills / Public Sector sugar mills, TANGEDCO has not carried out any valuation exercise, pending settlement of agreements.

ii. Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalised when it meets the asset recognition criteria as per Ind AS 16.

The cost of replacing part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of PPE are recognised in Statement of Profit and Loss as incurred.

iii. Depreciation

Depreciation is recognized in Statement of Profit and Loss on a straight-line basis over the estimated useful life of each part of an item of PPE. Depreciation is calculated from the date of capitalization or procurement of the asset as determined by the Company's technical team. Assets costing individually INR 500 or less are depreciated fully in the year of purchase. In respect of leasehold improvements, depreciation is charged every year on such amount as is required to write off entire cost of leasehold improvements, on a straight-line method, for the estimated useful life of the asset; or over the period of the lease whichever is earlier.

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The useful lives have been determined based on technical evaluation done by the management expert's thus, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. The Company depreciates assets up to 90% of the cost of the asset and 10% is retained as the residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets fair valued as on 1 April 2019 have been depreciated over the remaining useful life of the assets as provided by the Company's technical team. With respect to the assets put into use subsequent to the transition date, the useful life is arrived based on the depreciation rates prescribed in Regulation 24 of Tamil Nadu Electricity Regulatory Commission's (Terms and Conditions of Determination of Tariff) Tariff Regulations 2005 as amended vide Gazette No.14 notification dated 09.04.2014.

iv. De-recognition

PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset as at the date of de-recognition and is recognized in the Statement of Profit and Loss.

v. Capital work-in-progress

PPE under construction, advance paid towards acquisition, cost incurred for assets that are not ready for their intended use as on the reporting date and cost of asset not put to use before the year end, are disclosed as capital work-in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

In cases where the assets are constructed by GCCs, the entire cost of (such as their staff expenses, administrative expenses, etc) gets allocated to the asset constructed in proportion to the total cost of assets constructed during the year. However, in case the assets are

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constructed by the respective circles, the Company identifies the actual direct overheads incurred to bring the assets to its intended use including labour and allocates the same to the cost of asset constructed.

Depreciation is not provided on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

vi. Preliminary project identification and feasibility study costs

Preliminary project development expenditure includes expenditure on feasibility and other studies, development expenditure, expenditure on exploration works, technical knowhow etc. These costs are capitalized only when an asset is acquired, and it is directly attributable to that asset. Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to Statement of Profit and Loss. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

b. Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Upon initial recognition, investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When the use of a property changed from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss.

Rental income from investment property is recognised as other income on a straight-line basis over the term of the lease.

The fair value of the investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

c. Other Intangible Assets

i. Initial Recognition and measurement

Other intangible assets that are acquired by the Company are initially recognized at cost. Subsequently, intangible assets which have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Cost includes any directly attributable expenses of preparing the asset for its intended use. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are

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probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalization under intangible assets are carried as intangible assets under development till they are ready for their intended use.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it related and when the cost can be measured reliably. All other expenditure is recognized in the Statement of Profit and Loss as incurred.

iii. Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using straight-line method and is included in depreciation and amortization in Statement of Profit and Loss.

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Derecognition

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset as at the date of de-recognition and is recognized in the Statement of Profit and Loss.

d. Non-current asset or disposal group held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that their carrying amount will be recovered primarily through a sale transaction rather than through continuing use.

This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Company's accounting policies. Losses on initial recognition as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

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Once classified as held for sale, intangible assets, PPE, and investment properties are no longer amortized or depreciated.

e. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Cost of inventories are determined after deducting any rebates and discounts. Spares (not meeting the definition of PPE) are accounted as inventory and expensed to the Statement of Profit and Loss when issued for consumption.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and selling expenses.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where the material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

The Company accounts for any shortfall in inventory on account of loss incurred during transit, handling or natural loss associated with the inherent nature of the inventory as a charge to Statement of Profit and Loss.

The comparison of cost and net realizable value is made on an item-by-item basis.

f. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

i. Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115, *Revenue from contracts with customers*.

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Notes to the financial statements for the year ended 31 March 2022

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVOCI).

The Company classifies its financial assets in the above-mentioned categories based on:

- The Company's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

Financial assets that meet the following conditions are subsequently measured at amortised cost using effective interest rate method ("EIR") (except for debt instruments that are designated as at Fair Value through Profit or Loss ("FVTPL") on initial recognition):

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Amortised cost of a financial asset means the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the EIR.

Financial assets are subsequently measured at amortised cost using the effective interest rate method ("EIR") method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

A financial asset is measured at Fair Value through OCI ("FVTOCI") if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The asset's contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at FVTOCI. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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Notes to the financial statements for the year ended 31 March 2022

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired; or

Both (1) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and (2) either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the Statement of Profit and Loss.

Impairment of trade receivables and other financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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Notes to the financial statements for the year ended 31 March 2022

ii. Financial liabilities and equity instruments

Initial recognition and measurement

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument as per Ind AS 32, *Financial instruments: Presentation*.

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or at amortized cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the EIR.

Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the Statement of Profit and Loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

Similarly, interest bearing borrowings are subsequently measured at amortised cost using EIR.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in other comprehensive income ("OCI"). These

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Notes to the financial statements for the year ended 31 March 2022

gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as fair value through profit and loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The Company has not designated any financial liability at FVTPL.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the extinguishment of original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

g. Investment in subsidiaries, jointly controlled entities and associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27, *Separate Financial Statements*. The cost comprises price paid to acquire investment and directly attributable cost, if any.

Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the investment. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

h. Impairment

i. Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather,

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Notes to the financial statements for the year ended 31 March 2022

it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Recoverable amount of an asset is the higher of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When it is not possible to determine the recoverable amount of an individual asset, then the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The Company's corporate assets to the extent possible are allocated to the CGUs it belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis. Impairment losses are recognised in the Statement of Profit and Loss.

The Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

i. Employee benefits

In terms of the Tamil Nadu Electricity (Re-organization and Reforms) Transfer Scheme, 2010, all the employees of TNEB were transferred to TANGEDCO and subsequently some employees were deputed to the Company's fellow subsidiary i.e., Tamil Nadu Transmission Corporation Limited ("TANTRANSCO"). Based on the Company's policy, the Company recognises around 6/7th of the long-term and post-employment benefit cost arrived based on available actuarial valuation report as its share of long-term employment and post-employment benefits.

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i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably. Short term employee benefits comprise of wages, salaries, incentives, short term leave salary etc.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation other than contribution payable to the fund.

The Company runs contributory pension scheme in which the Company deducts 10 percent of the employees' salary and contribute an equal amount into a separate account. The contributions to such contributory pension scheme are recognized as an expense and charged to the Statement of Profit and Loss.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards staff pension fund, gratuity, family security fund scheme, TNEB special provident fund cum gratuity scheme are in the nature of defined benefit plans.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit Method (PUCM). When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Benefits under the Company's earned and unearned leave encashment scheme constitute other long-term employee benefits. The Company's net obligation in respect of these long-term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The actuarial calculation is performed annually by a qualified actuary using the PUCM. Any actuarial gains or losses are recognized in Statement of Profit and Loss account in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

v. Employee benefit schemes in the nature of liability

The Company has several employee benefits schemes such as general provident fund scheme and TNEB employees special provident fund cum gratuity scheme (2000), wherein it receives a fixed amount as contribution from the employees and accrues interest on the same. The corpus (principal and accumulated interest) is paid at the time of retirement or at the time of employee leaving the Company whichever is earlier. Under Ind AS 109, these are classified as financial liabilities.

j. Revenue

Company's revenues arise from sale of power, wheeling charges and other operating income. Revenue from other income comprises interest from banks, sale of scrap, grant and subsidies from government, rebate on power purchase bill, other miscellaneous income, etc.

The specific recognition criteria described below must also be met before revenue is recognised:

i. Sale of power

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue

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Notes to the financial statements for the year ended 31 March 2022

when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of power is recognized based on the assessment of units consumed by consumer and are billed at the rates for distribution tariff notified by Tamil Nadu Electricity Regulatory Commission ("TNERC") from time to time. Income pertaining to consumption of units not assessed as at the end of reporting period are treated as unbilled revenue based on the actual assessment made in subsequent period which is known at the time of closure of accounts. The income related to unassessed units is recognised based on the growth in consumption and rate of realization.

Tariff is determined based on the aggregate revenue required by the Company.

Revenue from sale of power is recognized once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

ii. Wheeling charges

The Company enters into various agreements with power generators to supply or 'wheel' the power generated to the power generator's end customers; these are called 'wheeling charges.' As per these agreements, the Company will only provide the power generator access to the Company's infrastructure for the transfer of power to the end customer. The customer is to pay the respective power generator company for the power consumed as per the rates agreed between them. Therefore, the Company acts only as an intermediary between the power generator and its customers.

In most contracts even though the primary responsibility for supply of the contracted power is on the power generator, in case of shortfalls in the supply, the Company may make good of such shortfalls depending on the availability.

Revenue from wheeling charges is recognized once the electricity has been delivered to the beneficiary (end customer) and is measured through a regular review of usage meters.

iii. Other operational income

Other operating income consists of tariff subsidy from Government of Tamil Nadu ("GoTN"), estimate charges, reconnection charges, meter rent, testing and application fees and other miscellaneous receipts.

• **Tariff subsidy from GOTN:**

The Company from time to time receives Government Order ("GO") from GoTN for providing free supply or concessional tariff for different categories of consumers such as hut consumers, agricultural consumers, domestic consumers, places of public worship, power loom consumers, handloom consumers and lift irrigation co-operative societies.

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As per the GO, the Company is required to provide 100 units of consumption free of charge to all such consumers. GoTN thus undertakes to provide subsidy to the Company for the shortfall in revenue due to policy of free supply and concessional tariff to specific category of consumers.

The Company accounts for the tariff subsidy when it is due from GOTN in the Statement of Profit and Loss as part of other operating income.

Other charges collected by the company are-

- Estimate charges are collected by the Company for estimating the requirements of the customer for providing the connection services and are recognised on accrual basis once the services are provided.
- Reconnection charges collected from the customers for reconnecting the services which are disconnected or discontinued for any reason are recognised on accrual basis once the services are provided.
- Meter rents are collected from HT customers on a monthly basis along with the invoice raised for power consumption and are recognised as income on accrual basis.
- Testing and application fees are collected from the customers for testing of the Company's equipment and are recognised on accrual basis once the services are provided.
- The other miscellaneous receipts such as shifting charges, labour charges, meter box charges name transfer charges, dismantling charges etc., are recognised as and when the services are provided.

iv. Other income

- Interest income is recognized, when no significant uncertainty as to measurability or collectability exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the EIR.
- Scrap other than steel scrap is accounted for as and when sold. Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.
- For debt instruments measured either at amortized cost or FVOCI, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Tamil Nadu Generation and Distribution Corporation Limited
Notes to the financial statements for the year ended 31 March 2022

- Charges recovered from consumers for delayed payments are recognised as income on accrual basis.
- The liquidated damages/ interest on advance to suppliers is recognized when no significant uncertainty as to measurability or collectability exists.
- Rebate received for early payment of power purchase bills are netted off against the cost of power purchase.

k. Leases

Effective 1 April 2019, the Company adopted Ind AS 116, *Leases* and applied to all lease contracts existing on 1 April 2019 using the modified retrospective method on the date of initial application. Pursuant to adoption of Ind AS 116, the Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets. The lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right-of-use asset has been recognized at an amount equal to lease liability.

As lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

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Notes to the financial statements for the year ended 31 March 2022

As lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset in which case the lease is classified as finance lease.

Assets given under finance lease are recognized as a receivable at an amount equal to the present value of lease receivable. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the Statement of Profit and Loss.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount equal to the net investment in the lease.

In certain cases of leases where the Company retains the principal risks and rewards of ownership of the underlying asset, the arrangement is considered as operating lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.

1. Income-tax

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is

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not a business combination and that affects neither accounting nor taxable profit at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that the future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of the deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income ("OCI") or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

m. Foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates i.e., functional currency. The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

The foreign exchange transactions undertaken by the Company includes import of coal, consultancy services and purchase of other materials.

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. When advance payments are made to the supplier, the related asset or expense is accounted using the spot exchange rate as on the date of advance payment.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the Statement of Profit and Loss in the year in which it arises.

Tamil Nadu Generation and Distribution Corporation Limited
Notes to the financial statements for the year ended 31 March 2022

n. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

o. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions associated with the grant. The grants are recognised in profit or loss as other operating revenue on a systematic basis. Grants related to depreciable assets are recognised in profit or loss over the period and in the proportion in which depreciation expense on those assets is recognised. Capital grants other than those related to depreciable assets are treated as deferred income which is recognized in the Statement of Profit and Loss statement on a systematic and rational basis over the useful life of the asset, i.e., such amounts are allocated to income over the periods.

p. Provision, contingent liabilities and contingent assets

A provision (other than for employee benefits) is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

Tamil Nadu Generation and Distribution Corporation Limited
Notes to the financial statements for the year ended 31 March 2022

q. Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Company's Board of Directors are responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. The Company's CODM reviews financial information presented, for purposes of making operating decisions and assessing financial performance of the Company. The Company has identified the following two reportable segments - 'Generation' and 'Distribution' (Also refer to note 46).

r. Earnings per share

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares, as the Company is a GoTN undertaking with 100% equity shareholding.

s. Prior period items, accounting estimates and effect of change in accounting policy

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change. Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the respective Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

t. Events occurring after the balance sheet date

Assets and liabilities are adjusted for events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors that provide additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10, *Events after the reporting period*.

u. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

Tamil Nadu Generation and Distribution Corporation Limited
Notes to the financial statements for the year ended 31 March 2022

On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below.

i. **Ind AS 16 – Property, Plant and Equipment (PPE)**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognised in the Statement of Profit and Loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The Company has evaluated the amendment and there is no impact in recognition of its property, plant and equipment on its financial statements.

ii. **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

iii. **Ind AS 109 – Financial Instruments**

The amendment clarifies the fees to be included in applying the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(in INR crores)

4(a) Property, plant and equipment and capital work-in-progress
Reconciliation of carrying amount*

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Others	Total (A)	Capital work-in-progress (B)	Total (A+B)
Cost or deemed cost (Gross carrying amount)										
Balance as at 1 April 2020	9,502.27	3,764.25	50,162.54	24.74	19.70	124.76	1,888.13	65,486.39	26,578.81	92,065.20
Additions during the year	57.07	46.98	1,521.67	0.40	5.70	10.68	0.75	1,643.25	6,925.89	8,569.14
Disposals/transfers during the year	-0.94	-0.01	-13.80	-0.46	-0.69	-1.23	-13.69	-30.82	-	-30.82
Balance as at 31 March 2021	9,558.40	3,811.22	51,670.41	24.68	24.71	134.21	1,875.19	67,098.82	33,504.70	1,00,603.52
Balance as at 1 April 2021*	9,558.40	5,673.09	50,617.89	24.67	24.74	134.23	1,065.80	67,098.82	33,504.70	1,00,603.52
Additions during the year	-	6.58	480.60	0.07	14.81	13.03	172.94	688.03	9,342.53	10,030.56
Disposals/transfers during the year	-0.28	-	-	-	-	-	-	-0.28	-	-0.28
Balance as at 31 March 2022	9,558.12	5,679.67	51,098.49	24.74	39.55	147.26	1,238.74	67,786.57	42,847.23	1,10,633.80
Accumulated depreciation and impairment losses										
Balance as at 1 April 2020	-	149.19	3,529.44	2.40	3.39	23.36	495.34	4,203.12	-	4,203.12
Depreciation during the year	-	150.25	3,634.22	3.03	2.96	36.27	97.44	3,924.17	-	3,924.17
Reversal of impairment loss	-	-	-2.80	-	-	-	-	-2.80	-	-2.80
Disposals/transfers during the year	-	-0.01	-9.06	-1.15	-0.97	-13.36	-0.01	-24.56	-	-24.56
Balance as at 31 March 2021	-	299.43	7,151.80	4.28	5.38	46.27	592.77	8,099.93	-	8,099.93
Balance as at 1 April 2021	-	359.75	7,445.12	4.28	5.39	46.31	239.09	8,099.93	-	8,099.93
Depreciation during the year	-	241.40	3,565.72	1.18	1.73	8.62	0.35	3,819.00	-	3,819.00
Reversal of impairment loss	-	-	-	-	-	-	-	-	-	-
Disposals/transfers during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	601.15	11,010.84	5.46	7.12	54.93	239.44	11,918.93	-	11,918.93
Carrying amount (net)										
As at 1 April 2020	9,502.27	3,615.06	46,633.10	22.34	16.31	101.40	1,392.79	61,283.27	26,578.81	87,862.08
As at 31 March 2021	9,558.40	3,511.79	44,518.61	20.40	19.33	87.94	1,282.42	58,998.89	33,504.70	92,503.59
As at 31 March 2022	9,558.12	5,078.52	40,087.65	19.28	32.43	92.33	999.30	55,867.64	42,847.23	98,714.87

*The Company as at 1 April 2021 has reclassified the class of fixed assets for better presentation.

Note:

- The scheme wise registers for capital work-in-progress are not being maintained by the Company. However, the Company is in the process of carrying out reconciliation process to match with the books of accounts.
- The Company decommissioned the Ennore Thermal Power Station (ETPS) on 31 March 2017 and provided 100% impairment loss on all the assets existing as on that date. Hence, the fair value of the assets (deemed cost) in ETPS as on the date of transition is nil. During FY 2020-21, certain minor parts of plant and machinery in ETPS were identified as in usable condition and were transferred to other thermal stations and accordingly the Company reversed the impairment loss to the extent of INR 2.80 crores in FY 2020-21 respectively.
- The Company has availed both term loans and working capital loans by mortgage of fixed assets from various banks and financial institutions (refer note 16 and 20)
- Title deeds for some of the immovable properties mentioned above are not in the name of the Company and the Company is in the process of registering the same in the name of the Company.
- The Company is in the process of collating all the relevant data (CWIP) required to be disclosed in the financial statements as per revised Schedule III of Companies Act, 2013.

Tamil Nadu Generation and Distribution Corporation Limited
Notes to the Financial Statements for the year ended 31 March 2022 (Revised)

(in INR crores)

4(b) Investment property

A. Reconciliation of carrying amount

Particulars	Land	Total
Cost or deemed cost (Gross carrying amount)		
Balance as at 1 April 2020	71.72	71.72
Additions during the year	-	-
Disposals/transfers during the year	-	-
Balance as at 31 March 2021	71.72	71.72
Balance as at 1 April 2021	71.72	71.72
Additions during the year	-	-
Disposals/transfers during the year	-	-
Balance as at 31 March 2022	71.72	71.72
Accumulated depreciation and impairment losses		
Balance as at 1 April 2020	-	-
Depreciation during the year	-	-
Impairment loss	-	-
Disposals/transfers during the year	-	-
Balance as at 31 March 2021	-	-
Balance as at 1 April 2021	-	-
Depreciation during the year	-	-
Impairment loss	-	-
Disposals/transfers during the year	-	-
Balance as at 31 March 2022	-	-
Carrying amount (net)		
As at 1 April 2020	71.72	71.72
As at 31 March 2021	71.72	71.72
As at 31 March 2022	71.72	71.72
Fair value		
As at 1 April 2020	71.72	71.72
As at 31 March 2021	71.72	71.72
As at 31 March 2022	71.72	71.72

(in INR crores)

B. Measurement of fair values

i) Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

ii) Valuation technique

The fair value of land has been determined using market approach (sales comparison method) whereby market rate of similar type of land at or near the location of investment property has been considered to arrive at the land rate applicable.

4(c) Other intangible assets and intangible assets under development
Reconciliation of carrying amount

Particulars	Software	Right of Way	Total	Intangible assets under development
Cost or deemed cost (Gross carrying amount)				
Balance as at 1 April 2020	0.13	-	0.13	0.53
Additions during the year	-	0.14	0.14	39.38
Disposals/transfers during the year	-	-	-	-
Balance as at 31 March 2021	0.13	0.14	0.27	39.91
Balance as at 1 April 2021	0.13	0.14	0.27	39.91
Additions during the year	1.20	-	1.20	46.81
Disposals/transfers during the year	-	-	-	-
Balance as at 31 March 2022	1.33	0.14	1.47	86.72
Accumulated amortization and impairment losses				
Balance as at 1 April 2020	-	-	-	-
Amortization during the year	-	-	-	-
Impairment loss	-	-	-	-
Disposals/transfers during the year	-	-	-	-
Balance as at 31 March 2021	-	-	-	-
Balance as at 1 April 2021	-	-	-	-
Amortization during the year	-	-	-	-
Impairment loss	-	-	-	-
Disposals/transfers during the year	-	-	-	-
Balance as at 31 March 2022	-	-	-	-
Carrying amount (net)				
As at 1 April 2020	0.13	-	0.13	0.53
As at 1 April 2020	0.13	-	0.13	0.53
As at 31 March 2021	0.13	0.14	0.27	39.91
As at 31 March 2022	1.33	0.14	1.47	86.72

Tamil Nadu Generation and Distribution Corporation Limited
Notes to the financial statements for the year ended 31 March 2022 (Revised)

(in INR crores)

5 Financial assets - Investments

	31 March 2022	31 March 2021	1 April 2020
Non-current investments			
Investment in subsidiaries			
a. Udangudi Power Corporation Limited			
65,000,000 (31 March 2021: 65,000,000; 1 April 2020: 65,000,000) equity shares of INR 10 each	65.00	65.00	65.00
Investment in associates			
a. NLC Tamil Nadu Power Limited			
240,684,620 (31 March 2021: 240,684,620; 1 April 2020: 240,684,620) equity shares of INR 10 each	240.68	240.68	240.68
Investment in joint ventures			
a. NTPC Tamil Nadu Energy Company Ltd*			
1,436,396,112 (31 March 2021: 1,436,396,112; 1 April 2020: 1,428,106,112) equity shares of INR 10 each	1,466.40	1,436.40	1,428.11
b. Mandakini B Coal Corporation Limited			
207,843 (31 March 2021: 207,843; 1 April 2020: 207,843) equity shares of INR 10 each	2.08	2.08	2.08
c. Maha Tamil Collieries Limited**			
37,000 (31 March 2021: 37,000; 1 April 2020: 37,000) equity shares of INR 10 each	0.04	0.04	0.04
Other investments			
	1,774.20	1,744.20	1,735.91
<i>All units are in absolute numbers</i>			
Aggregate value of quoted investments	-	-	-
Aggregate value of unquoted investments	1,774.20	1,744.20	1,735.91
Aggregate amount of impairment in value of investments	-	-	-

* Includes an amount of INR 30 crores for which shares are pending to be allotted by NTPC Tamil Nadu Energy Company Ltd

** The joint venturers of Maha Tamil Collieries Limited has proposed to wind up Maha Tamil Collieries Limited after settlement of all liabilities.

6 Other financial assets

	31 March 2022	31 March 2021	1 April 2020
Fixed deposits	2,320.74	2,271.42	2,208.40
Commitment advance paid towards projects	113.73	113.48	115.76
Less : Expected credit loss allowance	(56.58)	-56.58	-58.50
	2,377.89	2,328.32	2,265.66

Movement in the life-time Expected Credit Loss ("ECL")

Balance at the beginning of the year	(56.58)	(58.50)	-
Movement in ECL on non-current investments calculated at life-time expected credit losses	-	1.92	(58.50)
ECL at the end of the year	(56.58)	(56.58)	(58.50)

7 Other non-current assets

	31 March 2022	31 March 2021	1 April 2020
Capital advances	114.25	220.36	681.04
	114.25	220.36	681.04

8 Inventories

	31 March 2022	31 March 2021	1 April 2020
(At lower of cost and net realisable value)			
Raw materials			
In hand			
- Coal	316.60	277.05	362.41
- Oil and chemical	49.09	50.20	28.04
Goods in transit			
- Coal	101.69	194.37	330.94
	467.38	521.62	721.39

(in INR crores)

Other materials			
In hand	1,479.40	1,676.54	1,599.91
Goods in transit	-	-	-
	<u>1,479.40</u>	<u>1,676.54</u>	<u>1,599.91</u>
Less: provision for loss/ obsolescence of stock	(24.27)	(24.27)	(24.27)
	<u>1,922.51</u>	<u>2,173.89</u>	<u>2,297.03</u>

The Company has availed regular cash credit (overdraft) facility from various banks by pledging the inventories including coal, chemicals, lubricants, consumables, other materials etc.,

9 Financial assets - Trade receivables

	31 March 2022	31 March 2021	1 April 2020
Trade receivables			
Unsecured, considered good	7,875.36	7,464.68	6,799.84
Significant increase in credit risk	-	-	-
	<u>7,875.36</u>	<u>7,464.68</u>	<u>6,799.84</u>
Credit impaired	(196.89)	(186.62)	(170.00)
	<u>(196.89)</u>	<u>(186.62)</u>	<u>(170.00)</u>
Net trade receivables	<u>7,678.47</u>	<u>7,278.06</u>	<u>6,629.84</u>

All trade receivables are 'current'. Trade receivables includes unreconciled receivables from HT and LT customers amounting to INR 65.49 crores and INR 1,932.39 crores respectively, for which the Company is in the process of undertaking clean-up activity to reconcile the amounts as per the books of accounts.

The Company has availed regular cash credit (overdraft) facility from various banks by pledging debtors on sale of power.

The Company's exposure to credit risk and loss allowance related to trade receivables are disclosed in Note

The Company is in the process of collating all the relevant data (ageing details for trade receivables) required to be disclosed in the financial statements.

10 Financial assets - Cash and bank balances

	31 March 2022	31 March 2021	1 April 2020
Balances with banks			
- On current account	2,439.13	3,944.01	1,952.09
- Deposits with original maturity of less than three month	11.62	10.77	11.18
Cash on hand	411.63	81.55	163.89
Cheques, drafts and stamps on hand	72.37	74.56	72.46
	<u>2,934.75</u>	<u>4,110.89</u>	<u>2,199.62</u>

11 Other financial assets

	31 March 2022	31 March 2021	1 April 2020
Income accrued on investments			
Receivable from related parties*	12,157.15	11,623.95	11,183.10
Subsidy receivable	3,468.79	6,138.77	3,326.11
Sundry receivables	880.05	327.06	304.32
Unbilled revenue	1,432.52	1,340.48	1,401.74
Employee loan	267.51	345.55	364.95
Security deposits	131.36	54.91	14.02
Amount recoverable from employees	2.66	2.88	2.80
	<u>18,340.04</u>	<u>19,833.60</u>	<u>16,597.04</u>

*During the year, the Company carried out the reconciliation of its books of accounts with its fellow subsidiary company TANTRANSCO and there is an unreconciled balance of INR 284.75 crores as at 31 March 2022 for which reconciliation is in progress.

12 Current tax assets

	31 March 2022	31 March 2021	1 April 2020
Balances with government authorities			
	41.16	20.43	11.12
	<u>41.16</u>	<u>20.43</u>	<u>11.12</u>

13 Other current assets

	31 March 2022	31 March 2021	1 April 2020
Unsecured, considered good			
Advances to suppliers and contractors	1,969.30	268.98	299.70
Stock for scraps	18.71	-	-
Inter-unit balances	-	693.61	208.85
Balances with statutory authorities	-	7.17	43.83
	<u>1,988.01</u>	<u>969.76</u>	<u>552.38</u>

Tamil Nadu Generation and Distribution Corporation Limited
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14 Share capital

(in INR crores)

	31 March 2022	31 March 2021	1 April 2020
Authorized			
25,00,00,00,000 (31 March 2021: 25,00,00,00,000; 1 April 2020: 25,00,00,00,000) equity shares of INR 10 each	25,000.00	25,000.00	25,000.00
	25,000.00	25,000.00	25,000.00
Issued, subscribed and paid-up¹			
20,06,11,76,573 (31 March 2021: 20,05,78,72,273; 1 April 2020: 20,05,78,72,273) equity shares of INR 10 each fully paid up	20,061.17	20,057.87	20,057.87
	20,061.17	20,057.87	20,057.87

¹ All issued shares are fully paid up

a) Reconciliation of equity shares and share capital outstanding at the beginning and at the end of the reporting year

	31 March 2022		31 March 2021	
	No. of shares*	Amount	No. of shares*	Amount
At the commencement of the year	20,05,78,72,273	20,057.87	20,05,78,72,273	20,057.87
Shares issued for cash	33,04,300	3.30	-	-
At the end of the year	20,06,11,76,573	20,061.17	20,05,78,72,273	20,057.87

b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each equity shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. No dividend has been declared and distributed to equity shareholders during the current year as well as previous year.

c) Details of shares held by the holding and ultimate holding company

	31 March 2022		31 March 2021	
	No. of shares*	Amount	No. of shares*	Amount
Equity shares of Rs. 10 each fully paid-up held by TNEB Limited, holding company	20,06,11,26,573	20,061.13	20,05,78,22,273	20,057.82
	20,06,11,26,573	20,061.13	20,05,78,22,273	20,057.82

d) Particulars of shareholders holding more than 5% of equity shares of Rs 10 each fully paid in the Company

	31 March 2022		31 March 2021	
	No. of shares*	% held	No. of shares*	% held
Equity shares of Rs. 10 each fully paid-up held by TNEB Limited	20,06,11,26,573	100.00%	20,05,78,22,273	100.00%
	20,06,11,26,573	100.00%	20,05,78,22,273	100.00%

*Shares details are in absolute numbers.

e) Disclosure of Shareholding of Promoters

	31 March 2022			31 March 2021		
Promoter Name	No. of shares*	% held	% change	No. of shares*	% held	% change
TNEB Limited **	20,06,11,26,573	100.00%	0.02%	20,05,78,22,273	100.00%	-
	20,06,11,26,573	100.00%	0.02%	20,05,78,22,273	100.00%	-

*Share details are in absolute numbers.

**Balance 50,000 shares representing 0.00025% of total shares are held by other promoters.

Tamil Nadu Generation and Distribution Corporation Limited
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(in INR crores)

15 Other equity

	31 March 2022	31 March 2021	1 April 2020
Retained earnings	(1,51,638.78)	(1,38,643.16)	(1,25,852.70)
Other reserves	96.55	8.21	7.73
	(1,51,542.23)	(1,38,634.95)	(1,25,844.97)

15.1 Retained earnings

	31 March 2022	31 March 2021
Opening balance	(1,38,643.16)	(1,25,852.70)
Add: Profit / (loss) for the year	(9,130.36)	(13,066.03)
Add : Remeasurement gain / (loss) of defined benefit plans, net of tax	(3,865.26)	275.57
Closing balance	-1,51,638.78	-1,38,643.16

15.2 Other reserves

	31 March 2022	31 March 2021
i. House building advance-special family benefit fund scheme		
Opening balance	8.14	7.73
Transfer during the year	(0.32)	0.41
Closing balance	7.82	8.14
ii. General reserve		
Opening balance	0.07	-
Transfer during the year	0.02	0.07
Closing balance	0.09	0.07
iii. Hydro balancing fund		
Opening balance	-	-
Transfer during the year	88.64	-
Closing balance	88.64	-

Notes:

- Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends were distributed given the accumulated losses incurred by the Company.
- Other reserves includes an amount of 1% deducted as insurance from each instalment of the house building advance provided to employees. The amount deducted will be utilized when an employee defaults in the repayment of his dues due to unforeseen circumstances.
- Hydro balancing fund is created (when the hydro generation in a particular year exceeds 25% plant load factor ('PLF')) to meet any financial loss arising on account of increase in quantum of power purchase due to adverse monsoon resulting in reduction in hydro generation.

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(in INR crores)

16 Non-current financial liabilities - borrowings

	31 March 2022	31 March 2021	1 April 2020
Redeemable non convertible bonds (secured)	3,027.18	3,932.21	4,384.52
Term loans	3,027.18	3,932.21	4,384.52
Secured			
From financial institutions	25,235.34	33,606.35	22,913.62
Unsecured			
From financial institutions	61,839.27	47,851.50	39,996.04
From banks	7,949.95	10,250.52	10,382.29
From government	6,087.00	5,563.13	4,884.21
	1,01,111.56	97,271.50	78,176.16
	1,04,138.74	1,01,203.71	82,560.68

Term loans and working capital loans are secured by the mortgage on fixed assets and hypothecation of current assets of the Company.

Government of Tamil Nadu has given guarantee for the loans borrowed during the current year and earlier years from financial institutions and bond holders amounting to INR 61,920.19 crores (31 March 2021: INR 54,849.86 crores ; 1 April 2020: INR 35,158.28 crores) for the total loan amount outstanding of INR 138,916.09 crores (31 March 2021: INR 122,207.54 crores, 1 April 2020: INR 98,635.95 crores).

17 Non-current financial liabilities - others

	31 March 2022	31 March 2021	1 April 2020
Payable to employees	6,819.79	4,909.26	4,270.19
Upfront lease rent received	12.18	12.99	13.80
	6,831.97	4,922.25	4,283.99

18 Provision - non-current

	31 March 2022	31 March 2021	1 April 2020
Provision for employment benefits (refer note 35)	38,323.66	34,515.64	35,275.68
	38,323.66	34,515.64	35,275.68

19 Other non-current liabilities

	31 March 2022	31 March 2021	1 April 2020
Deferred revenue*	1,917.70	6,158.59	10,595.28
Notes*	1,917.70	6,158.59	10,595.28

- i. Deferred revenue includes unamortized portion of government grant received. This amount will be recognized as revenue corresponding to the depreciation charge in future years. The amount does not constitute a liability to be discharged in future periods and hence, it has been disclosed separately from equity and liabilities. The Company has the following government grants:
- INR 997.48 crores (31 March 2021: INR 899.37 crores; 1 April 2020 : INR 895.11 crores) received from Government of India under integrated power development scheme for integrated power development scheme for strengthening of sub-transmission and distribution system in rural areas.
 - INR 540.65 crores (31 March 2021: INR 447.83 crores; 1 April 2020 : INR INR 453.22 crores) received from Government of India under Deendayal Upadhyaya Gram Jyothi Yojana Scheme for separation of agriculture and non-agriculture feeders, strengthening and augmentation of sub-transmission and distribution network and rural electrification.
 - INR 43.62 crores (31 March 2021: INR 47.71 crores; 1 April 2020 : INR 51.80 crores) received from Government of India under Rajiv Gandhi Gram Vikas Yojana for rural electrification.
 - INR 142.35 crores (31 March 2021: INR 157.62 crores; 1 April 2020 : INR 19.10 crores) received from Government of Tamil Nadu under dam rehabilitation and improvement project for improving the safety and operational performance of selected existing dams in the state of Tamil Nadu.
 - INR 152.31 crores (31 March 2021: nil; 1 April 2020 : nil) received from Government of India, Ministry of Power under R-APDRP-Part-A, SCADA project for strengthening of sub-transmission & distribution network in urban areas including provisioning of solar panels and metering and IT enablement of distribution sector.
 - INR 5.02 crores (31 March 2021: nil; 1 April 2020 : nil) received from Government of Tamil Nadu for reallocation of the energy conservation activities from electrical inspectorate as per the Energy Conservation
- INR 4,563 crores as of 31 March 2021, and INR 9,126 crores as of 1 April 2020, of interest free loan received from the state government under Ujwal Discom Assurance Yojana ("UDAY") during the FY2016-17 was converted into grant of INR 4,563 crores for five years commencing from 2017-18 to 2021-22. As of 31 March 2022, the interest free loan was fully converted into grant and amortised during the year.
 - INR 32.71 crores (31 March 2021: INR 39.11 crores; 1 April 2020: INR 45.87 crores) received from Government of Tamil Nadu as interest free loan and INR 0.16 crores received from Government of Tamil Nadu for Tsunami relief program as of 31 March 2021 and 1 April 2020
 - INR 3.56 crores (31 March 2021: INR 3.79 crores; 1 April 2020: INR 4.02 crores) received from NTECL for cooling water system.

20 Current financial liabilities - borrowings

	31 March 2022	31 March 2021	1 April 2020
Secured			
Current maturities of long term borrowings	37,716.70	19,746.66	17,887.48
Bill of exchange discounted with banks	7,610.97	4,322.44	2,057.20
Cash credit from banks	5,860.82	5,860.82	5,199.63
Term loans			
From financial institutions	-	10,820.57	8,014.00
From banks	-	-	804.44
	51,188.49	40,750.49	33,962.75

Term loans and working capital loans are secured by the mortgage on fixed assets and hypothecation of current assets of the Company.

21 Financial liabilities - Trade payables

	31 March 2022	31 March 2021	1 April 2020
Trade payables for goods and services	27,024.82	30,126.00	29,548.34
Trade payables for expenses	3,987.42	1,666.75	1,736.62
	31,012.24	31,792.75	31,284.96

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 41.

	31 March 2022	31 March 2021	1 April 2020
Due to micro, small and medium enterprises (refer note 43)	104.87	63.43	71.62
Dues to others	30,907.37	31,729.32	31,213.34
	31,012.24	31,792.75	31,284.96

All trade payables are 'current'.

Of the above, trade payable to related parties are as below:

	31 March 2022	31 March 2021	1 April 2020
Trade payables to related parties	294.01	2,830.94	4,226.44

The Company is in the process of collating all the relevant data required to be disclosed in the financial statements.

22 Other financial liabilities

	31 March 2022	31 March 2021	1 April 2020
Deposits*	21,679.63	21,088.03	20,634.88
Employee benefits payable	282.86	697.51	668.91
Administrative expenses payable to UMPPs	38.96	38.96	38.87
Government subsidy refundable	4.16	1.26	1.36
Upfront lease rent received	0.81	0.81	0.81
	22,006.42	21,826.57	21,344.83

*Deposits include INR 71.42 crores representing 10% of the total project cost of INR 1,241.15 crores received from sugar mills for setting up of co-generation plants.

However, no Ind AS impact has been given with respect to the accounting for assets and liabilities pertaining to sugar mills in the first Ind AS financial statements of the Company, since the co-generation projects are jointly developed and run by TANGEDCO, co-operative sugar mills and public sector sugar mills. The accounting impact on this arrangement will be arrived after mutual discussion among the concerned departments of The Company's exposure to liquidity risks related to other financial liabilities is disclosed in Note 41.

23 Provisions

	31 March 2022	31 March 2021	1 April 2020
Provision for employee benefits	3,511.50	4,473.62	4,339.22
	3,511.50	4,473.62	4,339.22

Disclosures as per Ind AS 19 'Employee benefits' are provided in Note 35.

24 Other current liabilities

	31 March 2022	31 March 2021	1 April 2020
Inter-unit balances	4,137.91	-	-
Statutory liabilities	4,121.26	3,358.13	2,275.80
Advance from customers	269.47	688.95	605.68
Duties and taxes	51.66	167.94	147.06
Others	16.10	13.44	15.27
	8,596.40	4,228.46	3,043.81

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(in INR crores)

16A Details of terms and repayment schedule

Particulars	Tenor (in months)	Year of maturity	31 March 2022	31 March 2021	1 April 2020
Bonds or debentures (secured)					
731 units (31 March 2021 : 731 units; 1 April 2020: 731 units) TANGEDCO Bond Series-3/2016-17, 9.25% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	27.03.2027	73.17	73.16	73.19
400 units (31 March 2021 : 400 units; 1 April 2020: 400 units) TANGEDCO Bond Series-2/2016-17, 9.70% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	24.12.2026	41.04	41.04	41.05
500 units (31 March 2021 : 500 units; 1 April 2020: 500 units) TANGEDCO Bond Series-2/2015-16, 10.00% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	08.02.2026	50.71	50.71	50.70
5,018 units (31 March 2021 : 5,018 units; 1 April 2020: 5,018 units) TANGEDCO Bond Series-3/2014-15, 9.00% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	11.06.2025	515.29	515.53	515.62
1,000 units (31 March 2021 : 1,000 units; 31 March 2020: 1,000 units) TANGEDCO Bond Series-2/2014-15, 9.20% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	18.12.2024	994.71	1,026.21	1,026.39
1,000 units (31 March 2021 : 1,000 units; 31 March 2020: 1,000 units) TANGEDCO Bond Series-1/2014-15, 9.72% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	16.07.2024	907.54	1,019.44	1,019.65
6,263 units (31 March 2021 : 6,263 units; 1 April 2020: 6,335 units) TANGEDCO Bond Series-1/2013-14, 10.50% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	10.02.2024	444.72	635.49	642.77
612.4 units (31 March 2021 : 612.4 units; 1 April 2020: 1,071.70 units) TANGEDCO Bond Series-4/2011-12, 9.90% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	21.11.2021	-	63.42	111.00
148 units (31 March 2021 : 148 units; 1 April 2020: 259 units) TANGEDCO Bond Series-3/2011-12, 9.50% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	03.10.2021	-	15.49	27.12
2,156 units (31 March 2021 : 2,156 units; 1 April 2020: 3,773 units) TANGEDCO Bond Series-2/2011-12, 9.59% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	26.08.2021	-	217.53	380.76
2682 units (31 March 2021 : 2682 units; 1 April 2020: 4693.5 units) TANGEDCO Bond Series-1/2011-12, 9.70% Secured, Redeemable Non Convertible bonds (Face value of INR 1,000,000 each)	120	07.02.2021	-	274.19	479.92
Nil (31 March 2021 : Nil ; 1 April 2020: 161.40 units) 8.65% TANGEDCO Bond Series 1/2010-11, secured, redeemable non-convertible bonds (Face value of INR 1,000,000 each)	120	07.02.2021	-	-	16.35
			3,027.18	3,932.21	4,384.52

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(in INR crores)

Particulars	Interest rate	Tenor (In years)	31 March 2022	31 March 2021	1 April 2020
Term loans					
Secured					
a. from financial institutions					
Pradhan Mantri Gramodaya Yojana ("PMGY")	10.5% to 12%	20 years	4.85	6.10	7.35
Accelerated Power Development and Reform Programme ("APDRP")	9% to 12.5%	20 years	12.60	22.79	35.29
Rural Electrification Corporation Limited ("REC Ltd.")	10.35% to 12.75%	1 to 20 years	13,561.47	18,920.80	10,601.63
Power Finance Corporation Ltd. ("PFC")	10.3% to 12.65%	12 to 20 years	8,814.17	10,191.94	7,803.85
Housing and Urban Development Corporation ("HUDCO")	9% to 10%	15 years	656.53	488.37	667.21
Tamil Nadu Power Finance & Infrastructure Development Corporation Ltd. ("TNPFC")	9.00%	3 to 7 years	122.83	417.63	577.32
Rajiv Gandhi Grameen Vidyutikaran Yojana ("RGGVY")	10.50%	9 years	0.58	0.68	0.75
Deen Dayal Upadhyaya Gram Jyoti Yojana ("DDUGJY")	11.00%	11 years	293.59	305.67	180.07
Integrated Power Development Scheme ("IPDS")	10.63%	15 years	459.55	484.67	413.78
Indian Renewable Energy Development Agency Limited ("IREDA")	10.34% to 11.60%	2 years	-	508.66	399.12
Restructured Accelerated Power Development & reforms Program ("R-APDRP) PART - A	12%	20 years	-	116.32	105.11
Restructured Accelerated Power Development & reforms Program ("R-APDRP) PART - B	9.75% to 11.5%	15 to 20 years	1,309.17	2,142.72	2,122.14
			25,235.34	33,606.35	22,913.62
Unsecured					
a. from banks					
Medium term loan	7% to 13%	2 to 7 years	7,949.95	10,250.52	10,382.29
			7,949.95	10,250.52	10,382.29
b. from financial institutions					
National Bank for Agriculture and Rural Development ("NABARD")	10.75%	10 years	-	49.23	167.36
Rural Electrification Corporation Limited ("REC Ltd.")	10.5% to 11%	7 to 11 years	21,354.28	6,950.31	5,355.86
Power Finance Corporation Ltd. ("PFC")	10.75% to 12.15	5 to 12 years	23,421.27	18,964.79	14,063.66
Housing and Urban Development Corporation ("HUDCO")	9.75% to 12.25%	14 to 16 years	2,496.51	2,927.44	2,046.17
Tamil Nadu Power Finance & Infrastructure Development Corporation Ltd. ("TNPFC")	9% to 11%	3 to 7 years	13,500.63	18,922.97	18,319.11
Indian Renewable Energy Development Agency Limited ("IREDA")	10.50% to 11.60	10 years	301.35	36.76	43.88
Restructured Accelerated Power Development & reforms Program ("R-APDRP) PART - B	9.75% to 11.5%	15 to 20 years	665.23	-	-
Tamilnadu Industrial Investment Corporation ("TIIC")	9.65%	2 years	100.00	-	-
			61,839.27	47,851.50	39,996.04
c. from government					
Government of Tamil Nadu	0% to 10.50%	10 years	4,470.81	4,082.78	3,726.59
Ways and means	12.60% to 13.30%	10 years	1,616.19	1,480.35	1,157.62
			6,087.00	5,563.13	4,884.21

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(in INR crores)

25 Revenue from operations*

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of power - Low tension ('LT') supply	22,227.58	19,955.84
Sale of power - High tension ('HT') supply**	16,732.34	12,106.54
Government grants		
- Tariff subsidy from government	8,932.45	8,269.73
- Other revenue grants received from government	6,718.84	6,001.82
Wheeling charges	241.67	254.59
Other operational income		
- Income from other services provided to customers	1,527.03	1,618.35
- Estimate charges	66.68	237.69
- Meter rent charges	29.16	31.12
- Reconnection charges	27.05	113.50
- Service connection charges	7.96	59.33
- Miscellaneous revenue	483.72	272.41
	56,994.48	48,920.92

* Prior to adoption of Ind AS, the Company accounted for wheeling agreements on a gross basis, i.e., recognizes for the amount of power wheeled to the customer as revenue from sale of power and correspondingly recognizes the power supplied by the generator as power purchase cost at the notified rates. Since the Company only acts as an agent in case of wheeling agreements, on transition to Ind AS, the cost of power purchase is netted off with related revenue on account of sale of power wheeled to customers.

** The Company has refunded demand charges collected from HT customers whose recorded demand did not exceed the sanctioned demand during the COVID-19 lockdown period.

26 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income	244.15	166.99
Income from sale of scrap	133.78	107.48
Recoveries from consumers*	81.97	153.56
Amortization of capital grants	4,607.47	4,593.85
Liquidated damages	-	108.66
Reversal of impairment on non-financial assets	-	2.80
Reversal of impairment on financial assets	-	1.94
Miscellaneous receipts	737.50	177.97
	5,804.87	5,313.25

* On account of COVID-19 pandemic, Ministry of Power vide Letter No. 23/22/2019-R&R Part-4 dated 06.04.2020 clarified that late payment surcharge shall apply at reduced rate for the period between 24.03.2020 to 30.06.2020 on those payments that become overdue during the period 24.03.2020 to 30.06.2020 and from 01.07.2020 onwards, the delayed payment surcharge shall be payable at the rate given in the PPA/ regulations. Accordingly, the Company has charged surcharge at the rate of 12% p.a. Instead of 18% p.a. for the said period.

27 Cost of power purchases*

	Year ended 31 March 2022	Year ended 31 March 2021
Central generating sources	15,842.71	15,730.85
Traders & exchanges	12,359.46	12,697.56
Non-conventional energy sources	3,452.91	4,492.24
Transmission charges	6,557.79	4,664.61
Independent power producers	1,152.36	874.50
	39,365.23	38,459.76

* Prior to adoption of Ind AS, the Company accounted for wheeling agreements on a gross basis, i.e., recognizes for the amount of power wheeled to the customer as revenue from sale of power and correspondingly recognizes the power supplied by the generator as power purchase cost at the notified rates. Since the Company only acts as an agent in case of wheeling agreements, on transition to Ind AS, the cost of power purchase is netted off with related revenue on account of sale of power wheeled to customers.

In line with the directions of Ministry of Power dated 15 & 16 May 2020, issued in accordance with the announcement of GOI under the Atmanirbhar Bharat Special Economic and Comprehensive package, to allow a rebate of between 20%-25% on the capacity charges during the lock down period. Accordingly, the Company has availed rebate amounting to INR 192.57 crores during FY 2020-21.

On account of COVID-19 pandemic, Ministry of Power vide Letter No. 23/22/2019-R&R Part-4 dated 06.04.2020 clarified that late payment surcharge shall apply at reduced rate of 12% p.a. instead of 18% p.a. Accordingly, the Company has paid late payment surcharge at the rate of 12% for period said in the order.

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(in INR crores)

28 Cost of power generation

	Year ended 31 March 2022	Year ended 31 March 2021
Raw materials consumed	7,796.86	5,473.79
Direct expenses at generating stations	78.68	92.58
	<u>7,875.54</u>	<u>5,566.37</u>

29 Employee benefit expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and other allowances	4,189.64	5,752.45
Contribution to provident and other funds	4,229.47	1,584.94
Staff welfare expenses	11.29	49.30
	<u>8,430.40</u>	<u>7,386.69</u>

30 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense	10,400.28	10,017.53
Other borrowing costs	357.44	568.22
Interest paid on contribution to provident and other funds	165.53	135.26
Discount on issue of bonds	-	171.95
	<u>10,923.25</u>	<u>10,892.96</u>

31 Depreciation and amortization expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4(a))	3,810.18	3,876.92
	<u>3,810.18</u>	<u>3,876.92</u>

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32 Other expenses

(in INR crores)

	Year ended 31 March 2022	Year ended 31 March 2021
Repairs and maintenance		
- Plant & Machinery	362.45	551.24
- Buildings	0.89	40.86
- Vehicles	2.43	6.67
- Furniture	0.95	0.66
- Office Equipment	15.74	5.92
Security charges	92.35	108.74
Provision for hydro balancing fund	88.64	-
Net loss on foreign exchange transactions	5.64	98.18
Travelling and conveyance	55.08	58.36
Electricity charges	38.46	26.42
Legal and professional charges	21.43	40.06
Stores related expenses	18.55	10.93
Telephone and communication	17.50	17.57
Rent	12.62	50.67
Office related expenses	10.86	36.56
Provision For bad and doubtful debts	10.27	1.43
Rates and taxes	10.16	22.94
Insurance	1.27	1.78
Audit Fees (refer Note 32(i))	1.17	0.36
Bad debts written off	1.15	15.20
Freight charges	-	11.33
Contribution towards corporate social responsibility	-	-
Impairment of financial assets	-	-
Penal Interest	533.36	-
Miscellaneous expense	224.14	11.62
	1,525.11	1,117.50

(i) Payment to auditors

	Year ended 31 March 2022	Year ended 31 March 2021
As auditor:		
Statutory audit fees	0.50	0.30
Tax audit fees	0.05	0.01
Other services	0.56	0.00
Reimbursement of expenses	0.06	0.05
	1.17	0.36

33 Tax expense

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	-	-
Deferred tax (refer note 36)	-	-
	-	-

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(in INR crores)

34 Earnings per share

The shares issued by the Company are non-dilutive in nature. Hence, the Company's basic and diluted earnings per share are same.

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

i. Profit (loss) attributable to equity shareholders (basic and diluted)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit (loss) for the year, attributable to the equity holders	(9,130.36)	(13,066.03)

ii. Weighted average number of equity shares (basic and diluted)

	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance of issued equity shares	20,05,78,72,273	20,05,78,72,273
Effect of fresh issue of shares	33,04,300	-
Closing balance of issued equity shares	20,06,11,76,573	20,05,78,72,273
Weighted average number of equity shares for the year	20,05,87,68,508	20,05,78,72,273
Basic and diluted earnings per share (in INR)	(4.55)	(6.51)

35 Assets and liabilities relating to employee benefits

	Non-Current			Current		
	31 March 2022	31 March 2021	1 April 2020	31 March 2022	31 March 2021	1 April 2020
Provision for employee benefits:						
Provision for gratuity	2,303.57	2,196.74	2,100.06	215.05	73.14	35.12
Provision for staff pension	32,966.29	27,975.92	29,591.83	2,765.94	4,125.11	4,254.56
Liability for compensated absences	3,053.80	4,342.98	3,583.79	530.51	275.37	49.54
	38,323.66	34,515.64	35,275.68	3,511.50	4,473.62	4,339.22
Employee benefits liability:						
Contributory pension scheme	1,639.59	2,886.69	2,499.90	36.78	35.79	30.67
	1,639.59	2,886.69	2,499.90	36.78	35.79	30.67
Total employee benefit liabilities	39,963.25	37,402.33	37,775.58	3,548.28	4,509.41	4,369.89

A Defined contribution plan

Employees who have joined the Company on or after 1 April 2003 are covered under contributory pension scheme. The Company makes contributions to the extent of amount not exceeding 10% of basic pay and dearness allowance, in respect of qualifying employees. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to pension fund for the year aggregated to INR 233.68 crores (FY 2020-21: INR 185.10 crores)

B Defined benefit plan

i. Gratuity:

The Company operates post-employment defined benefit plans that provide gratuity for those employees joined on or after 1-April 2003. The gratuity plan entitles an employee, who has rendered at least five years of continuous service (not applicable in case of death/disability), to receive 15 days of salary for each year or part thereof in excess of six months of completed service at the time of retirement/exit.

Reconciliation of net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit asset (liability) and its components.

a) Changes in the present value of the defined benefit obligation

Particulars	31 March 2022	31 March 2021
Present value of obligation at the beginning of the year		
Current service cost	2,269.88	2,135.18
Interest cost	66.12	79.84
Past service cost	150.89	122.87
Benefits paid	(97.14)	-
Actuarial (gains) losses on obligations - due to change in demographic assumptions	(125.41)	(138.15)
Actuarial (gains) losses on obligations - due to change in financial assumptions	-	-
Actuarial (gains) losses on obligations - due to experience	(86.19)	5.49
Present value of benefit obligation at the end of the year	340.47	64.65
	2,518.62	2,269.88

b) Expenses recognized in the statement of profit or loss

Particulars	31 March 2022	31 March 2021
Current service cost		
Net interest cost	66.12	79.84
Past Service cost	150.89	122.87
Expenses recognized	(97.14)	-
	119.87	202.71

c) Expenses recognized in the other comprehensive income (OCI)

Particulars	31 March 2022	31 March 2021
Actuarial (gains) losses on obligation for the year		
Change in asset ceiling	254.28	70.14
Net (income) expense for the year recognized in OCI	-	-
	254.28	70.14

ii. Pension:

The Company operates post-employment defined benefit plans that provide pension for those employees joined before 1 April 2003. The pension plan entitles an employee, who has rendered at least ten years of continuous service, to receive 15 day's of salary for each year or part thereof in excess of six months of completed service at the time of retirement/exit.

Reconciliation of net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit asset (liability) and its components.

(in INR crores)

a) Changes in the present value of the defined benefit obligation

Particulars	31 March 2022	31 March 2021
Present value of obligation at the beginning of the year	32,101.03	33,846.39
Current service cost	307.86	317.41
Interest cost	2,245.56	1,241.41
Benefits paid	(2,533.21)	(2,958.45)
Actuarial (gains)/ losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	(4,147.90)	(120.62)
Actuarial (gains)/ losses on obligations - due to experience	7,758.89	(225.09)
Present value of benefit obligation at the end of the year	35,732.23	32,101.03

b) Expenses recognized in the statement of profit or loss

Particulars	31 March 2022	31 March 2021
Current service cost	307.86	317.41
Net interest cost	2,245.56	1,241.41
Expenses recognized	2,553.42	1,558.81

c) Expenses recognized in the Other Comprehensive Income ('OCI')

Particulars	31 March 2022	31 March 2021
Actuarial (gains)/ losses on obligation for the year	3,610.99	(345.72)
Change in asset ceiling	-	-
Net (income) expense for the year recognized in OCI	3,610.99	(345.72)

iii. Family security fund:

The Company operates post-employment defined benefit plans that provide insurance. The insurance plan entitles an employee, who has contributed a minimum amount for minimum period, the Company will pay the immediate family an fixed amount on the death of the employee. The Company has not undertaken a separate actuarial valuation in respect of this scheme and has included it as part of pension.

C Actuarial assumptions are as under

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2022		31 March 2021	
	Gratuity	Pension	Gratuity	Pension
Expected return on plan assets	0.00%	0.00%	0.00%	0.00%
Discount rate (per annum)	7.30%	7.50%	7.77%	7.11%
Rate of salary increase	5.00%	5.00%	5.00%	5.00%
Rate of employee turnover	1.00%	1.00%	1.00%	1.00%
Pension growth rate	-	4.00%	-	5.00%

*Mortality rate for pension is based on LIC (a) (1996-1998)

At 31 March 2022, the weighted average duration of the gratuity and pension was 5.32 and 11.32 years respectively.

ii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	31 March 2022		31 March 2021	
	Gratuity	Pension	Gratuity	Pension
Projected benefit obligation on current assumptions:				
Delta effect of +1% change in discount rate	(124.16)	(3,035.56)	(83.43)	(2,789.79)
Delta effect of -1% change in discount rate	151.18	4,383.21	91.40	3,285.36
Delta effect of +1% change in rate of salary increase	78.09	725.25	66.55	495.69
Delta effect of -1% change in rate of salary increase	(78.72)	(662.41)	(68.53)	(464.40)
Delta effect of +1% change in rate of employee turnover	0.25	-	4.66	(216.81)
Delta effect of -1% change in rate of employee turnover	(0.50)	-	(4.93)	246.38
Delta effect of +1% change in rate of employee mortality rate	-	-	0.16	496.03
Delta effect of -1% change in rate of employee mortality rate	-	-	(1.13)	(454.08)

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(in INR crores)

36 Income Tax

A Amounts recognized in the Statement of Profit and Loss

	31 March 2022	31 March 2021
Current tax	-	-
Deferred tax expense/ (income)	-2,529.79	-980.41
Reversal of Deferred tax expense/ (income) (refer note B below)	2,529.79	980.41
Tax expense for the year	-	-

B Movement in deferred tax balances

31 March 2022				
Particulars	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, plant and equipment	10,633.94	-356.93	-	10,277.01
Other remeasurements including prior period corrections	-1,737.13	2,786.62	-	1,049.49
	8,896.81	2,429.69	-	11,326.50
<u>Tax effect of items constituting deferred tax assets</u>				
Provision on employee benefits	-10,590.39	-869.40	-	-11,459.79
Remeasurement gain on defined benefit obligation	-1,844.67	-	-1,205.96	-3,050.63
Carry forward losses	-38,726.84	-135.78	-	-38,862.62
Other Ind AS adjustments	3,517.20	-3,955.42	-	-438.22
Disallowance u/s 43B	-21.01	1.12	-	-19.89
	-47,665.71	-4,959.48	-1,205.96	-53,831.15
Net tax (assets) / liabilities	-38,768.90	-2,529.79	-1,205.96	-42,504.65

31 March 2021				
Particulars	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, plant and equipment	11,186.60	-552.66	-	10,633.94
Other Ind AS adjustments	3,028.03	489.17	-	3,517.20
	14,214.63	-63.49	-	14,151.14
<u>Tax effect of items constituting deferred tax assets</u>				
Provision on employee benefits	-11,164.48	574.09	-	-10,590.39
Remeasurement gain on defined benefit obligation	-1,930.65	-	85.98	-1,844.67
Carry forward losses	-37,618.05	-1,108.79	-	-38,726.84
Other remeasurements including prior period corrections	-1,342.29	-394.84	-	-1,737.13
Disallowance u/s 43B	-33.63	12.62	-	-21.01
	-52,089.10	-916.92	85.98	-52,920.04
Net tax (assets) / liabilities	-37,874.47	-980.41	85.98	-38,768.90

*The Company has recognized deferred tax asset only to the extent of deferred tax liability. Since the deferred tax asset is more than deferred tax liability and there is no probable future taxable profits which will be available against which such net deferred tax asset shall be utilized, the Company has not recognized any deferred tax assets in its books.

37 Disclosure as per Ind AS 116

(A) Company as Lessee

The Company's significant leasing transactions are in respect of the following assets:

- (a) Lease of land in Tuticorin Port Trust for construction of Thermal power plant, additional road, TTPS guest house, residential quarters for employees, internal coal handling system for stage III expansion and cooling water system. The lease term is for a period of 30 years which can be further extended at mutually agreed terms subject to escalation of lease rentals.
- (b) The Company has leasehold land arrangements for 99 years with notional lease payments of INR 1 per annum or in some cases, the Company incurs only maintenance charges in respect of the land while no lease payments are actually made for such assets. Premises for residential use of employees on lease for a period of 3 years which can be renewed on mutually agreeable terms. The lessor generally incurs amount on improvements, repairs and maintenance.
- (c) The Company is currently using land and building belonging to TNEB Limited (holding company) for its head office and branch offices on free of cost basis.

(a) Operating Leases

The Company had entered into agreement with NTECL granting the right to use land in Vallur for construction of township for the employees of NTECL and land situated in NCTPS for occupation of permanent structures i.e., coal conveyor, make up water pipeline corridor and make up water pump house. The Company has classified and accounted for this arrangement as operating lease based on the principles enunciated in para 61 of Ind AS 116. The lease term is for a period of thirty years from the date of transfer.

The Company also provides accommodation to employees in the case of transfer to another location or for the employees working in remote locations. The accommodation can be used by these employees during their tenor of employment and the Company charges rent for the same. The rental amount is determined based on the house rent allowance applicable to the employees. The Company has classified this arrangement as operating lease based on the principles enunciated in para 62 of Ind AS 116.

The following are the amounts recognized in Statement of Profit and Loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Lease income	6.61	2.54
Income relating to variable lease payments not dependent on index or rate	-	-

Financial Instruments Disclosures

38 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital and it manages its capital to ensure that it will be able to continue as going concern while attaining breakeven through optimized utilization of capital.

The Company determines the amount of capital required on the basis of annual master planning, budgeting and corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and long-term borrowings.

The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

The capital structure is as follows:

Particulars	31 March 2022	31 March 2021	1 April 2020
Total liabilities	2,67,527.12	2,49,872.08	2,26,691.20
Less: Cash and cash equivalents	2,934.75	4,110.89	2,199.62
Adjusted net debt (A)	2,64,592.37	2,45,761.19	2,24,491.58
Total equity (B)	(1,31,481.06)	(1,18,577.08)	(1,05,787.10)
Gearing Ratio (A/B)	(2.01)	(2.07)	(2.12)

39 Financial instruments by category

Particulars	31 March 2022			31 March 2021		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial assets						
Trade receivables	-	-	7,678.47	-	-	7,278.06
Cash and cash equivalents	-	-	2,934.75	-	-	4,110.89
Other financial assets	-	-	20,717.93	-	-	22,161.92
Total assets	-	-	31,331.15	-	-	33,550.87
Financial liabilities						
Borrowings	-	-	1,55,327.23	-	-	1,41,954.20
Trade payables	-	-	31,012.24	-	-	31,792.75
Other financial liabilities	-	-	22,006.42	-	-	21,826.57
Total liabilities	-	-	2,08,345.89	-	-	1,95,573.52

Particulars	1 April 2020		
	FVTPL	FVTOCI	Amortized cost
Financial assets			
Trade receivables	-	-	6,629.84
Cash and cash equivalents	-	-	2,199.62
Other financial assets	-	-	18,862.70
Total assets	-	-	27,692.16
Financial liabilities			
Borrowings	-	-	1,16,523.43
Trade payables	-	-	31,284.96
Other financial liabilities	-	-	21,344.83
Total liabilities	-	-	1,69,153.22

40 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For all of the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

41 Financial risk management

The Company's risk management activities are managed, directed and controlled by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Company's principal financial liabilities, comprises of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, trade and other receivables, and cash and cash equivalents.

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Risk	Exposure arising from	Management
Credit Risk	Trade receivable, unbilled revenue, cash and cash equivalents and other financial assets	<p>The Company is a significant power generator and sole distributor of power in the state of Tamil Nadu, whose services are provided to various category of consumers. There are certain Generators utilizing open access facility to the HT consumers in which case TANGEDCO does not have any collection responsibility.</p> <p>The Company has robust collection and as a means of mitigating the risk of financial losses from default, the Company collects security deposits in proportion to average current consumption charges of HT and LT category of customers. In case receivables overdue beyond the contracted period, the service gets terminated and dues are appropriated from the available security deposit of the respective customer.</p> <p>Further, other financial assets comprises security deposits collected, employee loans, unbilled revenue and subsidy receivable from government which is provided through budget. Further, credit risk on receivables from TANTRANSCO is considered nil since it is the entity under the control of same parent and is a state owned entity.</p> <p>The cash and cash equivalents of the Company are held with creditworthy financial institutions.</p> <p>Based on the above, the Company's exposure to credit risk is minimal. Accordingly, the Company has taken the simplistic approach and has recognised a impairment loss of 2.5% of the total trade receivable.</p>
Market risk - foreign currency risk	Financial liabilities denominated in foreign currency	<p>The Company has only limited exposure to foreign currency currently, as the project liability are funded from reputed financial institutions and settled at regular due dates. Hence the company does not have any material risk on account of foreign exchange fluctuations.</p>
Market risk - interest rate risk	Interest rate risk on borrowings	<p>The borrowings of the Company though are primarily at fixed rate of interest which resets are specified intervals and hence the Company is exposed to limited interest risks in this regard.</p> <p>Further, the Company regularly monitors its borrowing arrangements with all its lenders to ensure that the Company gets funding at the prevailing market rates.</p>
Liquidity Risk	Borrowings and other liabilities	<p>The Company's board regularly monitors the liquidity position of the Company and takes proactive measures to ensure that the Company meets all business and financial commitments are on time. Further, the Company has credit lines with reputed financial institutions to mitigate any unplanned events.</p> <p>The Company's sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks.</p> <p>The Company does not maintain plan assets in respect of the employee benefits liability. Since the Company's employee benefit schemes are unfunded, the Company bears liquidity risk to this extent.</p> <p>Further, the GoTN sanctions funding towards certain portion of losses incurred by the company which helps the Company in mitigating liquidity risk.</p>

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions. Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans and other financial instruments. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

Exposure to credit risk

Impairment losses on financial assets recognized in profit or loss were as follows.

Particulars	31 March 2022	31 March 2021	1 April 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	-	-	-
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	196.89	186.62	170.00
Non- current financial assets			
(i) Other financial assets	56.58	56.58	58.50
	253.47	243.20	228.50

(i) Provision for expected credit losses (ECL)

a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, the Company has taken the simplistic approach and has recognised a impairment loss of 2.5% of the total trade receivable.

b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (including State government entities) with capacity to meet the obligations and therefore the risk of default, loss given default is negligible since the Company receives security deposit from customers which is available for set off against outstanding dues. Further, in the view of the Company dues are collectible in full and hence, the Company has taken the simplistic approach and has recognised a impairment loss of 2.5% of the total trade receivable.

(ii) Ageing of trade receivables*

The ageing analysis of the trade receivables is as below:

Ageing	Not due	0-30 days	31-60 days	61-90 days	91-180 days	181 - 365 days	more than 365 days
Gross carrying amount as at 31 March 2022*	1,659.33	182.92	138.07	129.41	378.21	544.00	2,845.54
Gross carrying amount as at 31 March 2021**	2,917.40	191.83	79.77	69.53	165.50	421.59	1,621.18
Gross carrying amount as at 1 April 2020**	2,681.45	132.36	83.95	147.20	246.38	343.18	1,167.44

*The Company is in the process of collating all the relevant data required to be disclosed in the financial statements as on 31 March 2022

**Trade receivables includes unreconciled receivables from HT and LT customers amounting to INR 65.49 crores and INR 1,932.39 crores respectively, for which the Company is in the process of undertaking clean-up activity to reconcile the amounts as per the books of accounts.

B Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company monitors the net liquidity position on the basis of expected cash flows vis-a-vis debt service fulfilment obligation. The Company has sufficient liquidity to meet its obligations. The Company manages liquidity risk by maintaining adequate banking facilities and borrowing facilities/limits. The Company ensures that, it has sufficient liquidity to meet its expected operational expenses including servicing of financial obligations. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022, 31 March 2021 and 1 April 2020:

Particulars	31 March 2022				
	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Long term borrowings	-	1,04,138.74	-	-	-
Short term borrowings*	-	51,188.49	-	-	-
Trade payables*	-	31,012.24	-	-	-
Other financial	-	22,006.42	-	-	-

Particulars	31 March 2021				
	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Long term borrowings	1,591.61	18,717.76	16,590.06	33,157.24	31,147.03
Short term borrowings*	-	40,750.49	-	-	-
Trade payables*	-	31,792.75	-	-	-
Other financial	-	21,826.57	-	-	-

Particulars	1 April 2020				
	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Long term borrowings	3,444.71	14,492.44	15,136.24	32,099.97	17,387.33
Short term borrowings*	-	33,962.75	-	-	-
Trade payables*	-	31,284.96	-	-	-
Other financial	-	21,344.83	-	-	-

*The Company is in the process of undertaking clean-up activity to reconcile the amounts as per the books of accounts. Hence, the Company has disclosed the maturities of financial liabilities under the 6-12 months bucket.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments. The analysis exclude the impact of movements in market variables on the carrying values of post-retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's borrowings and investments are primarily at fixed rate, which do not expose it to significant interest rate risk.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities as at 31 March 2022, 31 March 2021 and 1 April 2020 are as below:

Particulars	31 March 2022		31 March 2021		1 April 2020	
	Foreign currency (in crores)	in INR crores	Foreign currency (in crores)	in INR crores	Foreign currency (in crores)	in INR crores
Foreign currency liabilities						
In USD	3.15	230.64	3.15	230.64	3.34	252.07
In EURO	1.32	112.92	1.32	112.92	1.16	96.03

Other market price risk

The Company does not have any financial asset/liability which has a quoted market price available and hence there is no market price risk involved.

42 Disclosure as per Ind AS 115, 'Revenue from contracts with customers'

A Disaggregation of revenue

The Company does not disaggregate revenue between generation and distribution.

B Contract balances

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are transferred to unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The following table provides information about trade receivables, unbilled revenue and advances from customers / payable to beneficiaries:

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Current	Non-current	Current	Non-current
Trade receivables	7,678.47	-	7,278.06	-
Unbilled revenue	1,432.52	-	1,340.48	-
Advance from customers	445.37	-	218.83	-

43 Information in respect of micro and small enterprises as at 31 March 2022 as required by Schedule III of Companies Act, 2013 and Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	31 March 2022	31 March 2021	1 April 2020
Principal amount remaining unpaid	104.87	63.43	71.62
Interest due thereon*	-	-	-
The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the year	-	-	-
The amount of interest accrued and remaining unpaid	-	-	-
The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are	-	-	-

* The Company has defaulted in the payment to MSME vendors within the stipulated time under the MSME Act. However, the interest liability on account of belated payment could not be assessed by the Company for the purpose of the above disclosure.

44 Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on the activities specified in Schedule VII of the Companies Act, 2013:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent during the year	-	-
(ii) Amount spent during the year on		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above		
- Plantation of tree saplings at several villages	0.07	0.09
- Prevention of COVID-19	0.00	0.50
- Donation/ compensation paid to fishermen	3.00	0.00
- Construction of wall, approach road and pipe culvert	0.91	0.00
(iii) Shortfall at end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Village improvement, disaster relief and COVID-19 relief	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
by entering into a contractual obligation, the movements in the provision.	-	-

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(in INR crores)

45 Related parties

- i) **Parent and ultimate controlling party**
TNEB limited
- ii) **Fellow subsidiary**
Tamil Nadu Transmission Corporation Limited (TANTRANSCO)
- iii) **Subsidiary company**
Udangudi Power Corporation Limited (UPCL)
- iv) **Joint venture entities**
Maha Tamil Collieries Limited (MTCL)
NTPC Tamil Nadu Energy Company Ltd (NTECL)
Mandakini B Coal Corporation Limited (MCCL)
- v) **Associate companies**
NLC Tamil Nadu Power Limited (NTPL)
- vi) **Key Managerial Personnel and their relatives**
 - Chairman cum managing director**
Thiru. Pankaj kumar bansal, IAS - Chairman cum Managing Director (from 20 June 2020 to 16 May 2021)
Thiru.Rajesh Lakhoni, IAS - Chairman cum Managing Director (from 17 May 2021 to Present)
 - Joint managing director**
Dr. S.Vineeth, IAS - Joint Managing Director (16 October 2019 to 15 June 2021)
Prashanth M. Wadnere - Joint Managing Director (31 October 2020 to 2 April 2021)
Vishu Maharaj - Joint Managing Director (3rd July 2023 to Present)
 - Managing director**
Thiru.S.Shanmugam - Managing director (1 April 2021 to 31 March 2022)
 - Directors**
Thiru.K.Sundharavadhanam - Director (Finance) (24 September 2018 to 30 June 2020 and 1 April 2021 to 31 March 2022)
Thiru.M.A.Helen- Director (Distribution) (from 16 October 2019 to 15 June 2021)
Thiru.R.Ethiraj - Director (Project) (1 November 2019 to 31 July 2022)
Thiru.M.Senthilvel - Director (Distribution) (28 May 2021 to 8 August 2021)
Thiru.U.B.Eleni - Director (Generation) (9 August 2021 to 31 July 2022)
Thiru.A.Ashok Kumar - Director (Operation) (1 November 2019 to May 16 2022 VR)
Thiru.M.Senthilvel - Director (Operation) (9 August 2021 to 31 March 2022)
Thiru.M.Sivalingarajan - Director (Distribution) (9 August 2021 to present)
 - Company secretary**
D. Suresh Kumar (from 1 July 2020 to 31 March 2022)

Entities under the control of the same government

The Company is a State Public Sector Undertaking (SPSU) controlled by Government of Tamil Nadu by holding majority of shares in the Company's parent entity. Pursuant to Paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transactions with these parties are carried out at market terms at arm length basis. The Company has applied the exemption available for government related entities and have made disclosures accordingly in the financial statements.

b. Transactions with key management personnel
i. Key management personnel compensation*

	Transaction value	
	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits	2.67	2.05
Post-employment defined benefit	-	-
Other long term benefits	-	0.29
Termination benefits	-	-
Sitting fees	-	-
	2.67	2.34

*Does not include post employment benefits and other long term employee benefits based on actuarial valuation since the actuarial valuation is undertaken for the Company as a whole.

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Notes to the financial statements for the year ended 31 March 2022 (Revised)

(in INR crores)

c. Transactions with subsidiaries, associates and joint ventures

Name of the related party	Nature of transaction by the Company	Year ended 31 March 2022	Year ended 31 March 2021
TNEB Limited	Reimbursement of expenses	2.05	1.66
	Recovery of expenses	1.85	499.00
Tamil Nadu Transmission Corporation Limited	Reimbursement of expenses	1.23	1.11
	Payment of transmission charges	2,271.98	2,263.24
	Reimbursement of expenses	222.65	1,126.15
	Recovery of expenses	655.79	607.70
Udangudi Power Corporation Limited	Reimbursement of pension expenses	416.22	422.64
	Reimbursement of expenses	2.40	2.40
NLC Tamil Nadu Power Limited	Power purchase	1,144.41	1,422.90
	Dividend	40.92	40.92
NTPC Tamil Nadu Energy Company Ltd	Power purchase	3,358.78	2,436.99
	Dividend	244.19	244.19
		8,362.47	9,068.90

d. Transactions with the related parties under the control of the same government

Name of the related party	Nature of transaction by the Company	Year ended 31 March 2022	Year ended 31 March 2021
Tamilnadu Power Finance Corporation (TNPFC)	Loan Sanction, disburse and settlement	42,072.30	29,170.79
Poombukar Shipping Corporation (PSC)	Chartering of Ships, bunkering port handling charges of Coal Indigenous	289.67	289.67
		42,361.97	29,460.46

e. Outstanding balances including commitments with related parties are as follows

Name of the related party	Nature of relationship	31 March 2022	31 March 2021	1 April 2020
Udangudi Power Corporation Limited	Subsidiary	35.50	35.50	35.50
Tamil Nadu Transmission Corporation Limited	Fellow subsidiary	12,157.15	11,623.95	11,183.10
NTPC Tamil Nadu Energy Company Ltd	Joint venture	2,017.32	1,819.11	2,504.61
NLC Tamil Nadu Power Limited	Associate	256.02	892.27	818.36
Suboth Kumar	Joint managing director	-	-	0.26
S. Vineeth	Joint managing director	-	0.32	0.34
Prashant M. Wadnere	Joint managing director	-	-	-
Pankaj kumar bansal	Chairman cum managing director	-	0.09	-
		14,465.99	14,371.24	14,542.17

f. Details of any guarantees given or received

The Company has taken guarantee from GoTN for certain term loans and non-convertible bonds issued on private placement basis. The GoTN charges a guarantee fee of 0.5% p.a. on the outstanding guaranteed amount once in every half year.

The Company has also taken guarantee from State Bank of India with respect to the arbitration dispute against Videocon Power Limited amounting to INR 128 crores as per the directions of the Registrar General of the Madras High Court. The Company pays a guarantee fee of around 3.8% p.a. to the State Bank of India on the guaranteed amount.

g. Terms and conditions of transactions with the related parties:

Transactions with the related parties are made on normal commercial terms and conditions and at market rates;

Post the restructuring of erstwhile Tamil Nadu Electricity Board and TNEB Limited, all the employees of TNEB were transferred to the Company and subsequently some employees were deputed to TANTRANSO. The post employee benefits except pension of such employees are accounted in the books of the Company.

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(in INR crores)

46 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segments and assess their performance. The Board of Directors is considered to be the Chief Operating Decision Maker (CODM) within the purview of Ind AS 108 *Operating Segments*.

The Company has 2 reportable segments, as described below, which are the Company's strategic business units. These business units offer different services and are managed separately. For each of the business units, the Board of Directors reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the reportable segments:

Reportable segment	Operations
Generation of power	Comprises of generation of power from hydroelectric sources and thermal sources (coal, gas and oil) from plants owned and related ancillary services.
Distribution of power	Sale of power to high tension and low tension customers through distribution network and related ancillary services.

Information about reportable segments

Particulars	31 March 2022			31 March 2021		
	Generation of power	Distribution of power	Total	Generation of power	Distribution of power	Total
Segment revenue						
External revenue (nature of revenue)	-	56,994.48	56,994.48	-	48,920.92	48,920.92
Revenues from transactions with other operating segments of the same entity (Inter-segment revenue)	15,541.17	-	15,541.17	9,228.16	-	9,228.16
Other income	122.51	100.91	223.42	79.21	5,115.27	5,194.48
Total segment revenue	15,663.68	57,095.39	72,759.07	9,307.37	54,036.19	63,343.56
Segment expense						
Cost of power generation	36,750.56	2,614.67	39,365.23	5,564.76	1.61	5,566.37
Cost of power purchase	-	7,875.54	7,875.54	-	38,459.76	38,459.76
Expenses from transactions with other operating segments of the same entity (Inter-segment expense)	-	15,541.17	15,541.17	-	9,228.16	9,228.16
Employee benefit expenses	733.96	4,305.68	5,039.64	925.79	3,387.47	4,313.26
Finance costs	3,770.36	7,152.89	10,923.25	4,306.54	6,586.42	10,892.96
Depreciation and amortization	1,662.97	2,147.21	3,810.18	1,741.43	2,135.49	3,876.92
Other expenses	894.21	485.28	1,379.49	776.63	340.87	1,117.50
Total segmental expense	43,812.06	40,122.44	83,934.50	13,315.15	60,139.78	73,454.93
Total segmental results	(28,148.38)	16,972.95	(11,175.43)	(4,007.78)	(6,103.59)	(10,111.37)
Add/ (Less): Unallocable income/ (expense) (net)*	-	-	2,045.06	-	-	(2,954.66)
Segment profit (loss) before income tax						
- Current tax	-	-	-	-	-	-
- Deferred tax	-	-	-	-	-	-
Profit after tax	(28,148.38)	16,972.95	(9,130.36)	(4,007.78)	(6,103.59)	(13,066.03)

Other Information

Particulars	31 March 2022			31 March 2021		
	Generation of power	Distribution of power	Total	Generation of power	Distribution of power	Total
Segment assets	77,768.86	55,899.31	1,33,668.17	55,786.21	73,194.76	1,28,980.97
Unallocated corporate and other assets			2,377.89	-	-	2,314.03
Total assets	77,768.86	55,899.31	1,36,046.06	55,786.21	73,194.76	1,31,295.00
Segment liabilities	73,413.31	1,52,278.65	2,25,691.96	79,112.85	1,28,161.71	2,07,274.56
Unallocated corporate and other liabilities			41,835.16	-	-	42,597.52
Total liabilities	73,413.31	1,52,278.65	2,67,527.12	79,112.85	1,28,161.71	2,49,872.08

B. Information about geographical areas

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, revenue has been based on the geographic location of customers and non-current assets have been based on the geographical location of the assets. Since the Company is in the business of generation and distribution of power within the state of Tamil Nadu, all revenue are domestic and all non-current assets are situated in India only.

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47 Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amount of exchange differences (net) debited to the Statement of Profit and Loss during the year is INR 5.64 crores (FY 2020-21: debited INR 98.18 crores).

48 Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalized during the year is INR 4720.30 crores (FY 2020-21: INR 3,277.67 crores)

49 Disclosure as per Ind AS 27 'Separate financial statements'

a) Investment in subsidiary companies:

Company name	Country of incorporation	Proportion of ownership interest (in %)		
		31 March 2022	31 March 2021	1 April 2020
Udangudi Power Corporation Limited (UPCL)	India	100.00	100.00	100.00

b) Investment in joint venture companies:

Company name	Country of incorporation	Proportion of ownership interest (in %)		
		31 March 2022	31 March 2021	1 April 2020
Maha Tamil Collieries Limited (MTCL)	India	74.00	74.00	74.00
NTPC Tamil Nadu Energy Company Ltd (NTECL)	India	50.00	50.00	50.00
Mandakini B Coal Corporation Limited (MCCL)	India	25.00	25.00	25.00

c) Investment in associate companies:

Company name	Country of incorporation	Proportion of ownership interest (in %)		
		31 March 2022	31 March 2021	1 April 2020
NLC Tamil Nadu Power Limited (NTPL)	India	11.00	11.00	11.00

50 Impact of COVID-19

Significant disruptions have taken place in India due to 2nd wave of COVID 19. Majority of Company's business includes generation and distribution of power in the state of Tamil Nadu. Considering power generation and distribution being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company.

The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc. and is of the view that based on its present assessment, this situation does not materially impact the operations. The Company will continue to closely monitor any material changes to the future economic conditions.

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(in INR crores)

51 Commitment and contingent liabilities

S.No.	Particulars	31 March 2022	31 March 2021
I	Contingent liabilities <i>Claims against the Company not acknowledged as debts in</i>		
1	Income tax disputes	8.81	8.81
2	Excise duty, service tax and customs duty related disputes	43.95	43.95
3	Various government disputed dues related to state/ central department or authorities	1,588.15	975.56
4	Pending resolution of disputes with various suppliers and contractors	7,140.87	6,739.68
5	Other disputes including claims relating to employees/ ex-employees	49.92	49.92
	Total	8,831.70	7,817.92
II	Commitments		
1	Estimated amount of contracts remaining to be executed (including projects) on capital account and not provided for	20,586.14	23,040.50

Notes:

- 1 Relates to short deduction of TDS, penalty, late filing fees etc., which are pending resolution from the Income Tax department.

- 2 Relates to disputes involving applicability of GST on liquidated damages, training fees, disposal of fly ash etc., which is pending resolution with the Customs Excise and Service Tax Appellate Tribunal ('CESTAT'). Further, the Company has disputes amounting to INR 5.37 crores in respect of determination of transaction value of imported goods under the Customs Act, 1962 which is pending before Deputy Commissioner of Customs.

- 3 Includes water cess, property tax and demand for unpaid lease on use of land pertaining to forest department which are pending settlement with the concerned government authorities/ local bodies.

- 4 Includes disputes with various suppliers and contractors pertaining to billing disputes, interest on delayed payment of consideration; claim on liquidated damages etc., Further, the Company has various appeals before filed various the Appellate Tribunal for Electricity ('APTEL') for finalization of capital cost.

- 5 Includes disputes before labor court relating demand of Employees State Insurance contribution, disputes in the recovery of employees provident fund contributions from contract labourers, dispute in the payment of wage arrears to contract labourers etc.,

51A Additional regulatory information

(in INR crores)

- 1 **Details of benami properties:** There are no benami properties held by the Company as on date of financials. Hence the additional disclosure as specified in the said notification Companies Act 2013 is not applicable to the
- 2 **Willful Defaulter:** As on date of financials or any of the previous years, the Company has not defaulted any of its loans paid to any banks or financial
- 3 **Relationship with struck off companies:** There is no transaction with struck off Companies during year.
- 4 **Compliance with number of layers of companies:** Clause (87) of Sections 2, Section 450 read with sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 and Section 2 Companies (Restriction on number of layers) Rules, 2017, Government Companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries. Hence the additional disclosure as specified in the notification no.GSR 207(e) dated 24th March 2021 to Companies Act 2013 is not applicable to the Company.
- 5 **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in crypto currency or virtual currency during the current financial year or any of the previous financial years.

52 Amount receivable from Government towards determination of tariff

The Government of Tamil Nadu provided Tariff subsidy as compensation for supplying of power to certain categories of consumers at free of cost or subsidized rates. These subsidies are received in advance and any difference with actual consumption overestimate is recognised either as excess subsidy in current liabilities or receivables in current assets.

In the year 2021-22, the sanctioned subsidy is INR 8876.36 crores (INR 8269.73 crores for FY2020-21) and the entire subsidy has been received

The status of creation of regulatory assets, amortization, remaining regulatory assets, every year are tabulated below:

Tariff order	Opening balance	Addition including carrying cost during		Amortization	Closing balance
		True-up year	Amount		
Suo Moto no.9/ dated 11.12.2014	-	2010-11	5,166.00	1,033.00	4,133.00
T.P.No.1 of 2017/ dated 11.08.2017	4,133.00	2010-11 to 2015-16	34,464.38	28,164.68	10,432.70
Tariff order No 7 of 2022 dated 09.09.2022	10,432.70	2016-17	1,986.95	-	12,419.65
	12,419.65	2017-18	9,938.95	-	22,358.60
	22,358.60	2018-19	15,128.95	-	37,487.55
	37,487.55	2019-20	19,817.49	-	57,305.04
	57,305.04	2020-21	25,015.21	-	82,320.25

In the tariff order No. 7 dated 09.09.2022 the regulatory assets along with the carrying cost has been approved after the true up of FY 2016-17 to FY 2020-21

Ind AS 114, *Regulatory Deferral Accounts*, permits the Company to apply the requirements of this standard in its first Ind AS financial statements if and only if it conducts rate regulated activities and recognized amounts that quality as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. As the Company had consistently elected not to recognize the regulatory deferral balances in its previous GAAP, the requirement of Ind AS 114 does not apply to the Company.

(in INR crores)

- 53 The Board of TANGEDCO in the 66th Board meeting held on 02.12.2016 has approved for creation of corpus fund, initially with a contribution of 20 Crores per month for the purpose of the pension commitment of the company. The Board of TANGEDCO in its 75th Board Meeting dt.10.01.2018 ratified the enhancement of contribution from 20 Crores to 50 Crores from April 2017 to October 2017 and 100 Crores from November 2017 onwards. Accordingly, a dedicated account for the fund and other formalities related with creation of Corpus Fund were initiated. During the year from 2018-19 onwards to 2021-22 only provision INR 1200 crores per annum was booked, (1200 X 4 = 4800 crores) no amount invested in the above-mentioned years. The interests realized in the Investment of TANGEDCO Pension Corpus fund are not reinvested.

The details of deposits made in TNFFC Ltd, rate of interest and interest received are tabulated below.

S.No.	Financial Year	Amount Deposited	Total Deposit	Add Cumulative Deposit Interest	Cumulative Deposit including interest	Rate of Interest (%)	Interest received
1	2016-17	80.00	80.00	-	-	-	-
2	2017-18	1,250.88	1,330.88	-	-	8.84	0.88
3	2018-19	100.00	1,430.88	-	-	8.84	53.88
4	2019-20	-	1,430.88	-	-	8.84	126.24
						8.84	125.61
5	2020-21	-	1,430.88	14.75	1,445.63	8.84 up to 24.08.2020 (146 days)	50.60
						8.24 up to 31.12.2020 (129 days)	44.90
						7.75 from 01.01.2021 (90 days)	27.34
						Total	122.84
6	2021-22	-	1,445.63	68.67	1,514.31	Cumulative Interest 7.75	23.88
						Cumulative Interest 8.00	44.79
						Non-Cumulative Interest 8.24	49.44
						Total	118.11

- 54 The employees of the erstwhile Kumbakonam, Thirumayam and Vandavasi Rural Electricity Co-operative Societies were absorbed in TNEB w.e.f August 2005. The accumulated matching employer contribution towards EPF etc., due from the Employees Provident Fund Commissioner is yet to be refunded. TANGEDCO approached the Regional Provident Fund Commissioner to refund the claims for the past years, but so far, no claim has been refunded. Pending receipt of the amount, the pensionary claims of these employees is met from TANGEDCO funds.

The quantum of refund due to TANGEDCO in this regard is given below:

Circle name	Undertakings taken over	Refund claim (in INR crores)
Thanjavur	Kumbakonam	1.27
Pudukottai	Thirumayam	1.96
Thiruvananthapuram	Vandavasi	0.13
Total		3.36

- 55 Revision of wages to all the employees is due from 01.12.2019. A Wage Revision committee was constituted to negotiate with the Unions/Associations for Revision of Pay Matrix, Revision of work allocation and staff pattern. The commitment of employees cost due to wage revision due could not be quantified at this juncture.

- 56 The Government of Tamil Nadu has provided Tariff subsidy as compensation for supplying power to certain categories of consumers at free of cost or at subsidized rates. These subsidies are received in advance and any difference with actual consumption over estimate is recognized either as excess subsidy in current liabilities or receivable in current assets. In the year 2021-22, the sanctioned subsidy is INR 8876.36 crores (INR 8269.73 crores) and the entire subsidy has been received.

The Provisional Subsidy approved by the Hon'ble TNERC for the FY 2021-22 was INR 8876.36 Crores (INR 8269.73 Crores for FY 2020-21). Hon'ble TNERC also approved Additional Subsidy receivable of INR 56.09 crores (net) for FY 2019-20 on Truing up. And after adding the additional subsidy, the net amount payable by GoTN during FY 2021-22 was INR 8932.45 crores. The order for Provisional Tariff Subsidy for FY 2021-22 has been issued by Hon'ble TNERC vide Order No.7 of 2021, dated 30.09.2021.

- 57 The Hon'ble Division Bench of Madras High Court has passed order on 24.04.2018 by allowing CMA & writ appeal filed by the Pudhucherry Electricity Department.

Consequently, reconciliation of dues of either side has been made for the period from 2001 to 2019 and upon reconciliation, PED has been addressed vide letter dt.18.06.2021 to make the payment of INR 34,70,72,590/- (Rupees Thirty Four Crores Seventy Lakhs Seventy Two Thousand Five Hundred and Ninety only) immediately. The recoveries of dues is under process.

(in INR crores)

- 58 An EPC contract awarded to Lanco Infratech was terminated due to non-performance. As per the terms of the contract, Bank Guarantees totaling to INR 723 crores were invoked. This amount was appropriated as detailed below.

Financial year	Adjustment against advance	Income earned as Interest on advance	Income arising out of Liquidated Damages
2017-18	319.8	-	235.36
2018-19	-	103.43	64.41
Total	319.8	103.43	299.77
Grand Total			INR 723.00 Crores

A proceeding under Corporate Insolvency Resolution Process (CIRP) was initiated by IDBI Bank against the Lanco Infratech. TANGEDCO has submitted total claim of INR 1882.03 crores under several categories. The liquidator has processed the claims and partially rejecting such claims.

The National Company Law Tribunal (NCLT), Hyderabad Bench has ordered that Liquidator's admission of claim of INR 708.38 crores and rejection of INR 1173.65 crores is acceptable. TANGEDCO has decided to prefer appeal at Hon'ble NCLAT, New Delhi.

- 59 The details of expenditure incurred due to upgradation / improvement works arising out of technological obsolescence of fixed assets use in respect of Thermal Station in 2021-22.

Sl. No	Station/Unit	Description	Amount Spent (in INR crores)
1	TTPS	Supply of 2 nos PA Fan motor 6.6KV weather proof Squirrel cage and antification type induction motor to primory air fans in Unit I,II and III /TTPS 14-406/Cr.No 830/17-18dt06.11.2020	0.87
2	TTPS	Supply erection testing & Commissioning of latest disubuted digital control monitoring system Turbine petiction systems power plant control in unit I 14-406/Cr.No 632/17-18dt04.12.2019.	14.24

- 60 During the financial year 1995-96, Coimbatore, Thanjavur Municipal Electrical Undertakings were taken over by the TNEB. The matter of compensation payable or otherwise is under correspondence. Similarly, the Madurai, Pollachi and Karur electrical undertakings were taken over by Tamil Nadu Electricity Board. The issue compensation of Pollachi and Coimbatore Electrical Undertakings was settled. Other Electrical Undertaking issues are under discussion.

A high level committee has been constituted by the Government to look into the issues between the Municipal Electrical Undertakings and the Tamil Nadu Electricity Board, so as to settle the issues amicably. The High Level Committee's period of operation is further extended 30.04.2018 by the G.O.(Rt) No. (Municipal Administration and Water Supply) (MC-II) Department, dt.20.02.2018.

61 Status of Joint Venture Companies:
i. Mandakini B coal block:

The Ministry of Coal had de-allocated Mandakini-B Coal Block allocated to four State PSUs including TANGEDCO on 05.12.2012 for non-achievement of milestones and also invoked 50% of the Bank Guarantee submitted by the allottee State PSUs to the Ministry.

The Managing Director of Meghalaya Mineral Development Corporation Ltd, Shillong, expressed their acceptance of the opinion of TANGEDCO to dissolve the MBCCL and release the locked up capital of all companies in MBCCL.

TANGEDCO officials met the Project Officer and the Chief Financial Manager of Odisha Mining Corporation, on 09.08.2019 at Bhubaneswar, Odisha regarding dissolution of MBCCL. It was informed that Board meeting is required to be conducted to decide on closing of MBCCL.

The 19th Board meeting of the company was held on 25.03.21 through VC. It had been insisted by TANGEDCO to windup the company and to share the assets of the company among the JV partners. It had been opined by the Odisha Mining Corporation that MoC may be requested once again to return the invoked Performance Security.

Meanwhile, no tangible progress is made in dissolution of dormant company. Hence CE/M/Mines again wrote a detailed letter to MD/MBCCL for expeditiously closure of the company. In response to the E Mail dated 24.02.2022, Company Secretaries of MBCCL, M/s Saroj Ray & Associates, Bhubaneswar vide E-Mail sent to Shri. Kailash Sarangi, Project manager/OMC, and Director of MBCCL with copy to CE/M/Mines intimating that MBCCL had not filed audited financial statements in Forms AOC -4 and annual returns Form MGT-7 for the FY 2012-13 to 2016-17 prior to the date (23.06.2017) of obtaining dormant status as seen from MCA website. He also intimated that it is not possible to file for the backlog financial years because MBCCL is in Dormant state. These Returns/Forms can only be filed by paying additional filing fees to MCA after the status of the company is converted into "Active" status. After completing the above statutory compliances and making the company status as "Active", the action could be initiated for the Voluntary Liquidation of MBCCL u/s 59 of Insolvency & Bankruptcy Code (IBC) 2016.

The Company Secretaries of MBCCL, M/s Saroj Ray & Associates, Bhubaneswar, also suggested that before initiating action for dissolution of MBCCL, it is mandatory that all the backlog annual returns are to be filed with ROC and get MBCCL converted into "Active" status. The Company Secretaries further suggested to take immediate action to convene the next Board Meeting of MBCCL for approving the financial Statements for FY 2020-21 and other matters if any.

ii. Maha Tamil Collieries Limited:

Ministry of Coal (MoC), Govt. of India, had allocated the Gare Pelma Sector II coal block in Chhattisgarh State for captive mining on 02.08.2006 with estimated coal reserve of 768 Million tonnes jointly to TNEB and Maharashtra State Mining Corporation (MSMC). TNEB and MSMC agreed to share the coal in the ratio of 77 (TANGEDCO) : 23 (MSMC) and formed a joint venture company, "Maha Tamil Collieries Ltd" (MTCL) on 28.08.09. Considering the huge expenditure in transportation of coal from the Gare Pelma sector II coal block to Tamil Nadu, it was proposed to install a pithead thermal power station utilizing TANGEDCO's share of coal from this block.

Due to unavailability of budget provision and difficulty in mobilisation of funds, it was decided to entrust the works of development and operation of the coal block and establishment of a coal based thermal power plant to an external agency through competitive bidding.

The above works were awarded to M/s. Lanco Infratech Ltd. through competitive bidding and they had constituted a separate Project company named "Lanco Mining and Thermal Energy Limited" on 02.09.2011 which was later renamed as "Maha Tamil Mining and Thermal Energy Limited" (Special Purpose Vehicle) on 30.01.2012 for the mining and development of Gare Pelma sector II coal block and for erecting power plant. The Coal Mining Services agreement (CMSA) had been executed between Maha Tamil Collieries Limited (MTCL) and the SPV, Maha Tamil Mining and Thermal Energy Limited, on 01.12.2011.

The Memorandum of Understanding (MoU) had been executed on 19.01.2013 between TANGEDCO and Maha Tamil Mining and Thermal Energy Limited for setting up of a thermal power plant in the State of Chhattisgarh.

As per the Coal Mining Service agreement, the MDO has to submit the Bank Guarantee for Performance Security. However, in order to avoid de-allocation of the coal block, TANGEDCO had furnished the BG for INR 211.456 crores. TANGEDCO had requested M/s.MMTEL to reimburse the Bank commission charges of INR 3,56,78,164 (Rupees Three Crores Fifty Six Lakhs seventy eight thousand one hundred and sixty four only) incurred by TANGEDCO for furnishing the BG and to take care of the subsequent renewal of the Bank Guarantee furnished.

MMTEL had agreed to renew the Bank Guarantee submitted to the Ministry of Coal within subsequent 12 months or before the expiry of the validity period of the Bank Guarantee, whichever is earlier.

However, TANGEDCO had extended validity BG again before expiry of validity of the BG and incurred Bank commission charges INR 4,06,77,181/- for the period 2014-15. Subsequently, MTCL had returned the Bank commission charges of INR 7,63,58,185/- (3,56,78,164 + 4,06,77,181) TANGEDCO on 30.09.2015.

The Hon'ble Supreme Court of India vide its order dated 24th Sep 2014 had cancelled the allocations of 214 coal block made by the MoC. The "Gare Pelma sector II coal block" is one among them.

The Ministry of Coal vide letter dated 26.12.14 had requested the allottees whose allocation had been cancelled by the Supreme to furnish the valuation of compensation to be paid to them for the works executed by them in the coal blocks. Maha Tamil Collieries Ltd. Nagpur, had claimed, vide letter dated 03.01.15, a sum of INR 228 Crore, which includes the amount spent by MTCL and amount claimed by MMTEL (INR 204.66 Crores) towards the development of Mine Infrastructure including the cost of the Geological Report of Gare Pelma Sector-II coal Block.

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TANGEDCO Board had accorded approval for winding up MTCL, through circulation, on 31.03.16. The same had been intimated to MTCL. (in INR crores)

The Ministry of Coal, vide Notification No.110/9/2015/NA (Part) dated 11.11.16, determined the amount of Compensation for land and mine-infrastructure as "Nil" for Gare Pelma Sector II coal block.

The Office of the Coal Controller (CCO), Kolkata had returned INR 43,48,16,953/- to MTCL towards the cost of Geological Report.

MMTEL had requested MTCL to return the Geological Report cost of INR 43,48,16,953/-, (which was returned by Coal Controller to MTCL) and the EMD of INR 40 Crores, after adjusting the outstanding amount payable by MMTEL to MTCL.

M/s Lanco Infratech Ltd., who had also been awarded the EPC contract for ETPS Expansion project (1 x 660 MW), had submitted Insolvency notice in 2017.

In the 40th Board Meeting of MTCL held on 19.07.18, MTCL was requested to furnish the action taken report for the insolvency proceedings initiated against M/s.Lanco Infratech Ltd., and for utilizing the refund amount of INR 43,48,16,953/- (towards Geological Report cost from MoC) exclusively towards the development of the stalled projects of M/s. Lanco Infratech Ltd., in Tamil Nadu and Maharastra in the proportion of respective shareholdings in MTCL.

In the 43rd Board meeting of MTCL, it was decided that a Current Account of the company be opened in the Federal Bank Ltd., Nagpur. Further it was also decided to transfer the corpus of INR 43,48,16,953/- from Yes Bank to Tamil Nadu Power Finance Corporation (TNPFC), Chennai.

TNPFC had informed on 22.05.2019 that they are unable to accept bulk deposits due to pending RBI compliances. As MTCL's fixed deposits were about to mature on 11.07.2019, the amount was placed in fixed deposit with Yes Bank Ltd., Nagpur for a further period of one year. Later on 02.09.2019, TNPFC informed that they accept bulk deposits and it has been decided to open a fixed deposit account in TNPFC and action is being taken in this regard. An amount of about INR 47.68 crore, payable to MMTEL, is available with MTCL. MMTEL had requested for payment of the same. But the same has not been returned by M/s. MTCL to M/s. MMTEL so far. MMTEL has given an unconditional undertaking stating that they would not make any further claim on payment of INR 47.68 Crore to them. The proposal for release of INR 47.68 Crore money to MMTEL was taken up in the Board meeting held on 03.05.2021 through VC. The Board had deferred the subject for the next meeting.

In the 49th Board Meeting of MTCL held on 12/10/2021, the Board had issued directives to obtain legal opinions from the Advocate Generals of Maharashtra and Tamil Nadu regarding the adequacy of the "Deed of Settlement cum-Indemnity Bond" furnished by MMTEL to safeguard MTCL/MSMCL/TANGEDCO against any subsequent claims by MMTEL and need for incorporating any modification/suggestion in the undertaking and subsequently release the payment to MMTEL. Accordingly, the legal opinions from the respective offices of Advocate Generals of Maharashtra and Tamil Nadu had been received. The Learned AG/ TN opined that the "Deed of Settlement-cum-Indemnity Bond" furnished by MMTEL was in order and the Learned AG/MH suggested to obtain 'consent arbitration award', from a retired judge of High Court to safeguard MTCL/MSMCL/TANGEDCO against any subsequent claims by MMTEL.

MTCL and MMTEL had given their consent for appointing Justice A.B. Chaudhari (Retd.) to conduct the consent arbitration proceedings in Nagpur as per the Clause 32.2 of the CMSA. Arbitration award was delivered on 26.03.2022 and awarded as " MTCL shall pay the amount of INR 47,68,36,778/- (Forty-Seven Crores Sixty-Eight Lakhs Thirty-Six Thousand Seven Hundred and Seventy-Eight Only) to MMTEL within a period of one week".

INR 47,68,36,778/- (Forty-Seven Crores Sixty-Eight Lakhs Thirty-Six Thousand Seven Hundred and Seventy-Eight Only) was paid to MMTEL through RTGS on 05.04.2022.

It has been proposed to wind up M/s. MTCL as the Gare Pelma II coal block had been allocated to MAHAGENCO.

iii. Jayamkondam Lignite Power Project

The Jayamkondam Lignite mining and Power Project as a joint venture (JV) among NLC and TANGEDCO by TIDCO as project proponent could not be materialised due to the range of issues such as technical, financial, land acquisition, sale of power etc., and various other constraints and impediments encountered in the past 28 years of the conceptual stage itself and in the meantime the concept has been shifted to Methanol production by mining of lignite in lieu of original concept of power generation. This revised proposal evolved by TIDCO is understood to be with the Government for approval. As this new proposal is no longer for power generation, the TANGEDCO, being only a facilitator has no task to be performed in the future and committed no investment in Jayamkondam Lignite Power Project so far". Government of Tamil Nadu shelved the project.

iv. Cheyyur Ultra Mega Power Project (4000MW)

The total project costs INR 25,970 crores. This is a project being developed by Government of India with private sector participation through Power Finance Corporation. Tamil Nadu will get 1600 MW power from the project as its share. Environmental clearance has been received for the project on 30.09.2013. Land acquisition for port and plant completed for entire patta land to an extent of 623 acres and possession has been taken by CTNPL (Special Purpose Vehicle).

As most of the utilities have opted out the project, it has been proposed for closure by PFCCIL with MOP. Recommendation of TANGEDCO on closure of project communicated to GOTN on 21.3.2020. Based on TANGEDCO's recommendation, GOTN has decided the closure of Cheyyur UMPP vide G.O.No 36dt.19.05.2022. In the above G.O, TANGEDCO has directed to take over the land from CTNPL on payment of land cost and then transfer the land to Govt. sipcot land bank. Payment of land is in process.

62 Development and Production of Coal Block

I. Chandrabila Coal block:

(a) The Ministry of Coal has allotted Chandrabila Coal Block located in Odisha to TANGEDCO vide MoC letter dt. 24.02.2016. Based on the order, TANGEDCO has signed the Coal Block Development and Production Agreement on 30.03.2016.

There are two critical issues which hinders the development of Chandrabila coal block:

1. Lack of area for dumping overburden
2. Forest clearance for Prospecting in forest area

The above matter will be taken up to the Secretary/MoC, New Delhi from the Chief Secretary, Govt. of Tamil Nadu requesting to take up the issue with the MoEF & CC/New Delhi.

(b) Additional area for dumping overburden:

TANGEDCO requested MoC for allotment of additional land/area for dumping overburden. To resolve the issue of lack of area for dumping overburden, MoC had constituted a Sub-Committee to consider /examine the issues related to Chandrabila Coal Block, under the Chairmanship of CMD/CMPDIL and comprising of members from TANGEDCO, MoC and MCL.

The Sub-Committee appointed by MoC had recommended 0.98 sq.km additional area for dumping overburden against the 12 sq.km requested by TANGEDCO.

In the review meeting held on 14.12.2021, the Joint Secretary/MoC had enquired Central Mine Planning and Design Institute Limited (CMPDIL) about the revised map and boundary co-ordinates of the additional area of Chandrabila coal block.

CMPDIL has informed that they have redrawn the boundary of Chandrabila coal block including around 2.5sq.km area from Chhelia coal block and the same sent to Ministry of Coal.

TANGEDCO had requested MoC and CMPDIL to send the copy of the revised map and boundary co-ordinates of Chandrabila coal block including the (The adequacy of the additional area will be known only after the preparation of Mine Plan).

(c) Clearance for Prospecting in forest area:

Total area of the Coal Block: 9.32 sq.km.

Non-forest area: 5.68 sq.km (fully explored)

Forest area: 3.64 sq.km. (Yet to be explored)

The development of the Chandrabila coal block allotted to TANGEDCO has been adversely affected due to non-issuance of clearance to explore in the forest area of the block by the Ministry of Environment and Forest & Climate Change (MoEF & CC).

Clearance for prospecting in forest area of the block has been denied by the Regional Empowered Committee of MoEF & CC, though Odisha State Govt. had recommended for giving clearance. The reason given by the REC is that the dense forest area is close to the Similipal- Satakosia Tiger Corridor and it will disturb the lush green forest which is adjacent to the area sought for prospecting. The Forest Advisory Committee of MoEF & CC had observed that the Similipal-Satakosia Tiger corridor is situated at about 7.29 km away from the block boundary.

TANGEDCO had requested MoEF & CC/New Delhi to arrange to place the proposal for prospecting in forest area before REC for reconsideration of the earlier decision and issuance of clearance for prospecting in the forest area of Chandrabila coal block. MoEF & CC/ New Delhi has requested the Integrated Regional Office of MoEF & CC at Bhubaneswar for specific comments and recommendations in this regard. TANGEDCO had also requested the Integrated Regional Office of the MoEF & CC to reconsider the earlier decision of REC to deny clearance for prospecting in the forest area of the block.

The Deputy Inspector General of Forests (DIGF) (Central)/IRO/REC/MoEF & CC, Bhubaneswar vide letter dt.23.02.2022 has requested TANGEDCO to inform under what changed circumstances the proposal is submitted for reconsideration.

TANGEDCO has sent detailed reply dt.15.03.2022 to the (DIGF) (Central)/IRO stating the facts & needs and requesting to place the proposal for clearance to explore in the forest area of the Chandrabila coal block for reconsideration of REC. However, the clearance had not been given yet.

(d) MDO Tender:

TANGEDCO has floated tender for selection of Mine Developer and Operator for the development of the Chandrabila Coal Block during 2019 including liaisoning for obtaining forest clearance and exploration in forest area. Only one offer has been received and the tender has been lodged. The tender was again floated during 2020 for selection of Mine Developer and Operator with certain changes to attract more bidders. The tender has been lodged since no offer was received.

(e) Showcause notice:

The Ministry of Coal had issued a show cause notice to TANGEDCO on 04.06.2020 to show causes as to why the Performance Security given by TANGEDCO not be appropriated for not having developed the Chandrabila Coal Block as per the agreed time schedule. Actually, the development of Chandrabila Coal Block was affected due to non-issuance of clearance for exploration in the forest area of the coal block by MoEF & CC. A detailed reply to the show cause notice had been given to MoC on 15.06.2020 and the Ministry of Coal had been requested not to appropriate the Performance Security provided by TANGEDCO as the non-adherence to the agreed time schedule is due to reasons beyond the control of TANGEDCO.

The MoC had issued a show cause notice again on 08.07.2021, directing to show causes as to why the Performance Security (Bank Guarantee for INR 56,26,83,372/-) provided by TANGEDCO not be appropriated, along with reasons of delay in development of coal block as per the schedule of the Coal Block Development and Production Agreement. A detailed reply dt. 19.07.2021 for the above, explaining the reasons beyond the control of TANGEDCO that had obstructed the development of the block and requesting MoC not to appropriate the Performance Security, had been sent.

(f) Development of non-forest area:

TANGEDCO propose to develop the non-forest area initially and simultaneously pursue with forest area if clearance for prospecting in forest area is accorded by REC/MoEF & CC.

TANGEDCO vide letter dt.24.03.2022 has requested the Ministry of Coal to approve the proposal for mining in the non-forest area and to provide the boundary co-ordinates of non-forest area for demarcation and preparation of Mine Plan etc., for non-forest area.

To ascertain the feasibility study including financial impact, it is proposed to engage a consultant immediately to carryout feasibility study (Technical-Economic viability) for the development of non-forest area only of Chandrabila coal block.

II. Mandakini -B coal:

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(in INR crores)
 Meanwhile, no tangible progress is made in dissolution of dormant company. Hence CE/M/Mines again wrote a detailed letter to MD/MBCCL for expeditiously closure of the company. In response to the E Mail dated 24.02.2022, Company Secretaries of MBCCL, M/s Saroj Ray & Associates, Bhubaneswar vide E-Mail sent to Shri. Kailash Sarangi, Project manager/OMC, and Director of MBCCCL with copy to CE/M/Mines intimating that MBCCCL had not filed audited financial statements in Forms AOC -4 and annual returns Form MGT-7 for the FY 2012-13 to 2016-17 prior to the date (23.06.2017) of obtaining dormant status as seen from MCA website. He also intimated that it is not possible to file for the backlog financial years because MBCCCL is in Dormant state. These Returns/Forms can only be filed by paying additional filing fees to MCA after the status of the company is converted into "Active" status. After completing the above statutory compliances and making the company status as "Active", the action could be initiated for the Voluntary Liquidation of MBCCCL u/s 59 of Insolvency & Bankruptcy Code (IBC) 2016.

The Company Secretaries of MBCCCL, M/s Saroj Ray & Associates, Bhubaneswar, also suggested that before initiating action for dissolution of MBCCCL, it is mandatory that all the backlog annual returns are to be filed with ROC and get MBCCCL converted into "Active" status. The Company Secretaries further suggested to take immediate action to convene the next Board Meeting of MBCCCL for approving the financial Statements for FY 2020-21 and other matters if any. The 20th Meeting of the Board of Directors of Mandakini-B Coal Corporation Limited (MBCCCL) is scheduled to be held on 5th May 2022 at 3.30 PM through Virtual Mode.

63 Vivad Se Vishwas Scheme 2020 (VSV)

TANGEDCO had filed declaration in Form-1&2 under Vivad Se Vishwas Scheme 2020 (VSV) to settle the disputes pending with the Income Tax Department amounting to INR 4421.24/- crores for erstwhile TNEB from AY 2005-06 to 2011-12 including Department's appeals (AY 2009-10, 2010-11 & 2011-12) [except Assessee & Department appeal for AY 2006-07 and Department appeal for AY2005-06] and for INR 2303.37/- crores relating to TANGEDCO for AY 2011-12 to 2014-15 including Department's appeal (AY 2011-12 & 2012-13). The department has issued order in Form-5 towards full and final settlement of the disputes for TANGEDCO from AY 2011-12 to 2014-15 and for erstwhile TNEB from AY 2005-06 to 2011-12 (except AY 2006-07).

The status of other pending appeals for erstwhile TNEB and TANGEDCO's various Income Tax Returns are furnished in the following table:-

a) Erstwhile Tamil Nadu Electricity board (TNEB):

Assessment year	Disallowance of Expenditure	Assessment Status
2006-07 [u/s.143(3)]	11.39	Hon'ble ITAT/Chennai dismissed the appeal vide order dt.28.02.2022. TANGEDCO had preferred an appeal before the Hon'ble High Court of Madras on 05.07.2022
2006-07 [u/s.263]	617.83	Appeals filed against the CIT/ Appeals order dt. 06.08.2018 is pending before the Hon'ble Income Tax Appellate Tribunal/Chennai

b) TANGEDCO :

Assessment Year	Disallowance	Assessment Status
2015-16 (u/s. 143(3))	1,891.88	Commissioner/Appeals has issued an order on 07.08.2019 partially allowing TANGEDCO's Appeal. For the disallowance portion, TANGEDCO has preferred an appeal before the Hon'ble Income Tax Appellate Tribunal/Chennai.
2015-16 (u/s. 147)	191.69	TANGEDCO has appealed before the CIT/Appeals/NFAC against the Assessment order dt.30.03.2022.
2016-17 (u/s. 143 (3))	2,281.40	Commissioner/Appeals has issued an order on 07.08.2019 partially allowing TANGEDCO's Appeal. For the disallowance, TANGEDCO has preferred an appeal before the Hon'ble Income Tax Appellate Tribunal/Chennai.
2016-17 (u/s. 263)	901.74	TANGEDCO has appealed before the CIT/Appeals/NFAC against the Assessment order dt.29.03.2022.
2017-18	3,324.44	TANGEDCO has appealed before the CIT/Appeals/Chennai against the Assessment order dt.30.12.2019. Faceless hearing is under progress.
2018-19	346.51	Assessment Order issued by DCIT / National e-assessment Centre/ Delhi on 17.04.2021. TANGEDCO has appealed before the CIT/Appeals/Chennai against the Assessment order dt.17.04.2021.
2019-20	--	ITR filed but Scrutiny yet to be started
2020-21	--	ITR filed but Scrutiny yet to be started
2021-22	--	ITR filed but Scrutiny yet to be started

A sum of INR 32.02 crores (from Assessment Year 2000-2001 to Assessment year 2021-22) is pending to be received as Income Tax refund from Income Tax Department and being followed up closely.

64 Ujwal DISCOM Assurance Yojana (UDAY):

MoU under UDAY has been signed amongst GoI, GoTN and TANGEDCO on 09.01.2017

i. As per UDAY scheme GoTN agreed to taken over the losses of the Company in the graded manner, the details of loss taken over by GoTN are as follows:

Loss funding details by GoTN

Financial year	Loss as per audited accounts	(%) of loss funding	Amount of grant	Actual receipt	Sanctioned vide GO.No. and Dt.
2016-17	4,348.76	5%	217.43	217.43	Go. (Ms) No. 25 Energy (C2) Dept. dt.23.03.2018
2017-18	7,760.77	10%	776.08	776.08	Go. (Ms) No. 68 Energy (C2) Dept.
2018-19	12,623.41	25%	3,155.85	3,155.85	Go. (Ms) No. 14 Energy (C2) Dept. dt.22.01.2021
2019-20	11,964.93	50%	5,982.47	5,982.47	Go. (Ms) No. 14 Energy (C2) Dept. dt.22.01.2021 & Go. (Ms) No. 06 Energy (C2) Dept. dt.09.02.2022
2020-21	13,407.31	50%	6,703.66	6,342.94	Go. (Ms) No. 06 Energy (C2) Dept. dt.09.02.2022
			16,835.49	16,474.77	

ii. UDAY scheme prevailed for the period from 2016 and 2021 and thus taking over of loss under UDAY scheme has been completed.

iii. Upto FY 2021-22, GoTN has converted the entire loan amount of INR 22,815 crore as grant. (INR 4563 crores each year from 2017-18)

iv. The balance loans of INR 7,605 crores being 25% considered under UDAY Scheme, has to be repaid by TANGEDCO through issue of bonds, for which the GoTN has issued Government Guarantee vide G.O.(Ms.)No.9, Energy (C2) Dept., dt.20.2.2017 and G.O. (Ms.) No.50, Finance (L&A Cell) Dept., dt.1.3.2017, respectively. To mobilize the DISCOM bonds on standalone basis, e-tender Spec No. TANGEDCO CRA/2017-18 was launched on 23.01.2018 inviting bids for 'Credit rating' the DISCOM bonds and opened the tender on 29.01.2018 and same was closed. As directed in the 76th board meeting of TANGEDCO held on 31.01.2018, CRISIL was appointed as rating agency on nomination basis to assign credit rating for UDAY bonds. Further, due to COVID-19 pandemic, the rating process has been slowed down and steps are being taken to initiate to issue the UDAY bonds.

65 Going concern assumption

The Company is a state PSU and held 100% by GoTN through its holding Company TNEB. The Company is the sole power supplier in the state of Tamil Nadu and is backed by the GoTN. The Company is taking active steps to revise its tariff to the customers and expect to reduce the operational losses significantly in the near future. Further, the GoTN is funding the yearly losses to the Company through UDAY scheme. Hence the Company does not expect the current financial position to impair its going concern assumption.

Further, on account of transition to Ind AS, the Company's losses compared to its book losses under previous GAAP has reduced. The Company will engage in active discussion with GoTN to work out the loss funding mechanism under Ind AS. Accordingly, the Company has not created any provisions in its books to return the excess loss funding received.

66 The merger of UPCL with TANGEDCO is under progress and pending with Honourable High Court / Madras and thus, the fair valuation of land recognized in UPCL was not incorporated in the Fixed Assets Register (FAR) of TANGEDCO. The project is under WIP and allocation of expenditure under WIP land heads will be converted into fixed assets at the time of commissioning of the power project. The classification of Equity investment in the UPCL joint venture (which is under amalgamation) of Rs.65 crores and other financial assets of Rs.31.50 crores will be reclassified appropriately.

67 High level committee to review the variations in coal stock between physical stores record and quantity arrived as per physical verification in North Chennai Thermal Power Station -1 has been formed by the company and based on the committee report, suitable action will be taken to resolve the issue.

68 As no concrete lease agreement executed between TANGEDCO and VOC port trust, there is no recognition of lease liability. However, Rs. 158.02 crores towards lease rent has been shown as contingent liability.

69 The difference amount between the audited report on the Co-generation mills and the balance available in the books of accounts of TANGEDCO is under reconciliation which will be sorted out at the earliest.

70 From FY 2021-22 onwards, as TANGEDCO implemented SAP-ERP in a phased manner, efforts are being arranged to reconcile the differences between payroll software of ERP and as per the books of accounts.

71 As a company policy, the recovery of dues towards embezzlements / thefts are fixed with the concerned staff in charge and suitable proceedings are being taken.

72 The frauds, misappropriation, embezzlements, etc pending cases as on 31.03.2022 is Rs.20.63 crores.

73 The value of scrap, obsolete and non-moving and sick transformer materials as on 31.03.2022 is Rs.53.88 crores.

74 Funds Advanced/Loaned/Investor

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.

75 Financial Ratios

Sl No	Ratios	UOM	Numerator	Denominator	(in INR crores)		
					Numerator		Denominator
					As at 31 March 2022	As at 31 March 2021	As at 31 March 2021
1	Current ratio	in times	Current Assets	Current Liabilities	32,904.94	34,386.63	116,315.05
2	Debt-equity ratio	in times	Total Borrowings (i.e. Non-current borrowings + Current borrowings)	Total Equity (Shareholder's fund)	155,327.23	141,954.20	103,071.89
3	Debt service coverage ratio	in times	Net Profit after Tax before OCI + Depreciation + Interest	Interest on debentures + Interest on term loans + Scheduled principal repayments of term loans and debentures (i.e. excluding prepayments and refinancing of debts) during the year	5,603.07	1,703.85	118,577.08
4	Return on equity	%	Net profit after tax (-) Preference dividend (if any)	Average networth (or) Equity shareholders fund	-	10,400.28	10,017.53
5	Inventory turnover ratio	No. of days	Net Sales	Average inventory	9,130.36	13,066.03	118,577.08
6	Trade receivables turnover ratio	No. of days	Net credit sales	(Average Trade Receivables + Average unbilled revenue) *	56,994.48	48,920.92	2,235.46
7	Trade payables turnover ratio	No. of days	Net credit purchases	Average Trade payables *	56,994.48	48,920.92	8,325.06
8	Net capital turnover ratio	in times	Net Sales	No of days in the reporting year / 365	39,365.23	38,459.75	31,538.86
9	Net profit ratio	%	Net profit after tax	Average working capital (Current asset - Current liabilities, excluding current maturity of long term borrowings)	56,994.48	48,920.92	48,938.60
10	Return on capital employed	%	Profit before tax plus interest on long term loans and debentures	Revenue from operations (or) Total sales	9,130.36	13,066.03	48,920.92
11	Return on investment *	%	Income from Investment	Net worth + Total borrowings + Deferred Tax Cost of investment	1,792.89	2,173.07	23,377.12

Sl No	Ratios	UOM	As at 31 March 2022	As at 31 March 2021	% of Variance	Reason for Variance in excess of 25%	
1	Current ratio	in times	0.28	0.33	-15%		
2	Debt-equity ratio	in times	(1.18)	(1.20)	-1%		
3	Debt service coverage ratio	in times	0.54	0.17	217%	Due to the reduction in Net Profit after Tax before considering the other comprehensive income, the debt service coverage ratio has been improved by more than 25 % compared to previous year.	
4	Return on equity	%	0.07	0.11	-37%		
5	Inventory turnover ratio	No. of days	27.83	21.88	-		
6	Trade receivables turnover ratio	No. of days	6.43	5.88	9%		
7	Trade payables turnover ratio	No. of days	1.25	1.22	3%		
8	Net capital turnover ratio	in times	(1.25)	(1.00)	25%		
9	Net profit ratio	%	(0.16)	(0.27)	-40%	There is improvement in the Net Profit ratio by 40 % over the previous year, due to the reduction in Net Profit after Tax before considering the other comprehensive income.	
10	Return on capital employed	%	0.08	(0.09)	-181%	The return on capital employee become positive during FY 2021-22 as the profit before tax plus interest on long term loans and debentures witnessed improvement	
11	Return on investment *	%	NA	NA	-		

*Considering the nature of business "Return on Investment ratio" is not applicable.

(in INR crores)

76 Correction of errors

During the year ended 31 March 2022, the Company discovered various prior period errors due to omission/misaccounting in its financial statements. As a consequence, income/expenses and the related assets/liabilities have been overstated. The errors have been corrected by restating each of the affected financial statement line items for prior periods.

The prior period errors pertains to the following:

1. **Power purchase transactions** - The Company erroneously accounted the deferred tax liability (INR 156.88 crores) and the late payment surcharge (INR 3,278.87 crores) claimed by the suppliers at the time of receipt of invoice rather than accounting it in the period in which it accrued.
2. **Electricity duty reversal** - Based on the AG audit comments, the reversal of electricity duty entry passed in FY 18-19, FY 19-20 and FY 20-21 (INR 719.78 crores) has been reversed.
3. **Omission / misaccounting** - The other prior period errors arising from omission/misaccounting has been rectified by restating various payables and receivables.

The following tables summarise the impacts on the Company's financial statements.

(i) Balance Sheet as at 1 April 2020 and 31 March 2021

Particulars	Impact of correction of error					
	31 March 2021			1 April 2020		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
ASSETS						
1 Non-current assets						
Property, plant and equipment	58,995.04	3.85	58,998.89	61,296.72	(13.45)	61,283.27
Capital work-in-progress	33,504.70	-	33,504.70	26,578.81	-	26,578.81
Investment property	58.27	13.45	71.72	58.27	13.45	71.72
Other intangible assets	0.13	0.14	0.27	0.13	-	0.13
Intangibles under development	39.91	-	39.91	0.53	-	0.53
Financial assets						
(i) Investments	1,744.20	-	1,744.20	1,735.91	-	1,735.91
(ii) Others	2,328.32	-	2,328.32	2,265.66	-	2,265.66
Other non-current assets	220.19	0.17	220.36	681.04	-	681.04
Total non-current assets	96,890.76	17.61	96,908.37	92,617.07	-	92,617.07
2 Current assets						
Inventories	2,151.69	22.20	2,173.89	2,297.03	-	2,297.03
Financial assets						
(i) Trade receivables	7,196.24	81.82	7,278.06	6,540.29	89.55	6,629.84
(ii) Cash and cash equivalents	4,110.89	-	4,110.89	2,199.62	-	2,199.62
(iii) Others	19,830.97	2.63	19,833.60	16,597.04	-	16,597.04
Current tax assets (net)	20.43	-	20.43	11.12	-	11.12
Other current assets	819.52	150.24	969.76	533.20	19.18	552.38
Total current assets	34,129.74	256.89	34,386.63	28,178.30	108.73	28,287.03
TOTAL ASSETS	1,31,020.50	274.50	1,31,295.00	1,20,795.37	108.73	1,20,904.10
EQUITY AND LIABILITIES						
Equity						
Equity share capital	20,057.87	-	20,057.87	20,057.87	-	20,057.87
Other equity	(1,33,657.80)	(4,977.15)	(1,38,634.95)	(1,25,475.33)	(369.64)	(1,25,844.97)
TOTAL EQUITY	(1,13,599.93)	(4,977.15)	(1,18,577.08)	(1,05,417.46)	(369.64)	(1,05,787.10)
1 Non-current liabilities						
Financial liabilities						
(i) Borrowings	1,01,203.71	-	1,01,203.71	82,560.68	-	82,560.68
(ii) Others	4,919.91	2.34	4,922.25	4,283.99	-	4,283.99
Provision	34,515.64	-	34,515.64	35,275.68	-	35,275.68
Other non-current liabilities	6,005.23	153.36	6,158.59	10,572.16	23.12	10,595.28
Total non-current liabilities	1,46,644.49	155.70	1,46,800.19	1,32,692.51	23.12	1,32,715.63
2 Current liabilities						
Financial liabilities						
(i) Borrowings	21,003.83	19,746.66	40,750.49	16,075.27	17,887.48	33,962.75
(ii) Trade payables						
- Total outstanding dues of micro enterprises and small enterprises	63.43	-	63.43	71.62	-	71.62
- Total outstanding dues of creditors other than micro enterprises and small enterprises	27,308.07	4,421.25	31,729.32	31,127.59	85.75	31,213.34
(iii) Other financial liabilities	41,611.23	(19,784.66)	21,826.57	39,232.82	(17,887.99)	21,344.83
Provisions	4,473.62	-	4,473.62	4,339.21	0.01	4,339.22
Other current liabilities	3,515.76	712.70	4,228.46	2,673.81	370.00	3,043.81
Total current liabilities	97,975.94	5,095.95	1,03,071.89	93,520.32	455.25	93,975.57
TOTAL EQUITY AND LIABILITIES	1,31,020.50	274.50	1,31,295.00	1,20,795.37	108.73	1,20,904.10

(ii) Statement of Profit and Loss for the year ended 31 March 2021

(in INR crores)

Particulars	Impact of correction of error For the year ended 31 March 2021		
	As previously reported	Adjustments	As restated
INCOME			
Revenue from operations	48,909.06	11.86	48,920.92
Other income	5,698.61	(345.36)	5,313.25
TOTAL INCOME	54,567.67	(333.50)	54,234.17
EXPENSES			
Cost of power purchases	34,178.40	4,281.36	38,459.76
Cost of power generation	5,565.98	0.39	5,566.37
Employee benefits	7,388.74	(2.05)	7,386.69
Finance costs	10,942.69	(49.73)	10,892.96
Depreciation and amortization	3,876.92	-	3,876.92
Other expenses	1,073.46	44.04	1,117.50
TOTAL EXPENSES	63,026.19	4,274.01	67,300.20
Profit before tax	(8,458.52)	(4,607.51)	(13,066.03)
Tax expense:			
Current tax	-	-	-
Deferred tax	-	-	-
Profit For The Year	(8,458.52)	(4,607.51)	(13,066.03)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	275.57	-	275.57
Total other comprehensive income	275.57	-	275.57
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(8,182.95)	(4,607.51)	(12,790.46)

There is no material impact on the Company's basic or diluted earnings per share.

K. Malarvizhi
(Director/Finance)

DIN: 10154735

Vishu Mahajan
(Joint Managing Director/Finance)

Rajesh Lakshmi
(Chairman/Managing Director)
DIN: 01288879

V. Savitha
(Chief Financial Controller/Ind AS)

D. Suresh Kumar
Company Secretary

As per our report of even date

For Khicha & Prabhu Kesavan

Chartered Accountants
Firm No. 0501085

(CA S. Manivannan)
Partner
M. No. 201633

For K. Gopal Rao & Co.

Chartered Accountants
Firm No. 0009565

(CA Madan Gopal Narayanan)
Partner
M. No. 211784

For M. Thomas & Co.

Chartered Accountants
Firm No. 0044085

(CA J.P.J. Kamalesh)
Partner
M. No. 201093

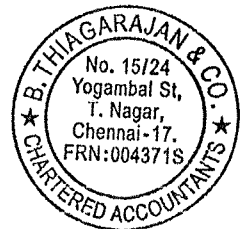
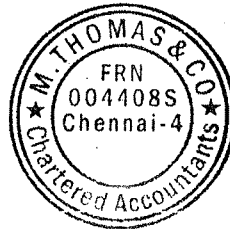
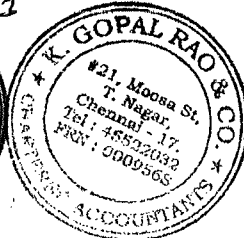
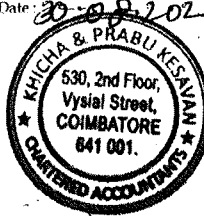
For B. Thiagarajan & Co.

Chartered Accountants
Firm No. 0043715

(CA Ram Srinivasan)
Partner
M. No. 220112

Place: Chennai

Date: 20-08-2022



4(a) Property, plant and equipment and capital work-in-progress

(in INR crores)

The title deeds for the land and buildings amounting to INR 978.31 crores are yet to be received and follow up action is being taken as detailed below.

Relevant line item in the Balance sheet	Particulars	Gross carrying value	Title deeds held in the name of	Property held since which date	Reason for not being held in the name of the Company
PPE	Mallankinar 33KV SS, Mallankinar Village, Aruppukottai TK, Virudhunagar Dist.	24,88,592	Patta in private party name	02 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	2Q type Qtrs	7,91,695	Patta in private party name	09 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	2P type Qtrs	7,91,695	Patta in private party name	09 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Single 'P' type Qtrs	3,80,013	Patta in private party name	09 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Battery Room	1,83,060	Patta in private party name	17 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Cash Collection Room	2,48,692	Patta in private party name	17 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	11,95,095	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	13,38,912	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	81,817	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	12,02,197	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	2,10,387	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	1,51,946	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	81,817	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO
PPE	Periyavallikulam 33KV SS, Periyavallikulam Village, Virudhunagar.	37,651	Patta in private party name.	21 June 1905	RDO/ Aruppukottai will be addressed for name transfer to TANGEDCO

Relevant line item in the Balance sheet	Particulars	Gross carrying value	True deeds held in the name of	Property held since which date	Reason for not being held in the name of the Company
PPE	Land under power station	59,47,84,600	Corporation Private	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	29,70,95,600	Madras State Electricity Board	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	1,77,98,04,400	Madras State Electricity Board	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	2,03,12,08,200	Military land	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	19,36,46,200	Govt. land	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	46,24,56,400	Govt. land index	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	20,80,85,600	Govt. land (index Register P34)	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	39,50,06,600	Harijan Welfare Department	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.
PPE	Land under power station	5,93,40,000	Govt. land	31 August 1957	The G.O.2968/PWD dt 31.08.1957 is not traceable and hence name transfer could not be done.

ANNEXURE A - STATEMENT OF TECHNICAL DATA

SL. No.	Particulars	Current year 2021-22 (Revised)	Previous year 2020-21 (Restated)
1.	Installed Generation Capacity (in M.W) at the year end 31st March		
	Hydel	2321	2321
	Thermal	4320	4320
	Wind Mill	17	17
	Gas Turbine	516	516
	Total	7174	7174
2.	Normal Maximum Demand (in M.W)		
	(a)Restricted	17196	16481
	(b)Un-restricted	17141	16448
3.	Plant Availability at the time Maximum Demand		
	1.Hydel - in MU	161	392
	- in %	6.94%	16.89%
	2.Thermal - in MU	3117	2123
	- in %	72.15%	49.14%
4.	Plant load factor (%)		
	1.Hydel	27.12%	26.50%
	2.Thermal	53.88%	41.10%
5.	Own Generation in Million Kwhr.		
	1.Hydel	5514	5387
	2.Thermal	20391	15554
	3.Wind Mill	3	4
	4.Gas Turbine	1460	1722
	Gross Generation	27369	22667
6.	Auxiliary consumption (in Million KWhr)		
	1.Hydel	21	22
	2.Thermal	1797	1349
	3.Gas	138	137
	Sub Total of Auxillary 6(a)	1957	1508
	Kadamparai Pump Mode 6(b)	250	290
7	Own Generation (net)	25162	20870
8	Power purchase in Million Kwhr:		
	Direct Purchase	72875	67230
	Open Access Wheeling	17016	16951
	* Total Power Purchase	89891	84181
9	Power available for sale (In Million Kwhr (7+8))	115053	105051
10	Power sold (in Million Kwhr.)		
	Direct sales	82076	73622
	HT wheeling Adjustment	16706	16392
	Total Power sold	98782	90014
11	AT & C Losses (as per workings)		
	in Million Kwhr	10468	12327
	In %	11.41%	14.66%

(Cont'd)

*	Power Purchase from Various Sources (in MU)	2021-22	2020-21
1	Central Generating Stations (CGS)	37029	29331
2	Independent Power Projects (IPP)	1566	1,190
3	Traders (LTOA, MTOA & STOA)	16814	21041
4	Exchanges (IEX & PXIL)	6330	5448
5	Capitive Power Plants (CPP)	15	16
6	Co-Generation	347	283
7	Bio-Mass	2	3
8	Solar	7203	6,115
9	Wind Mill - Direct	3538	3731
10	Wind Mill - Wheeling Adjustment	9579	8821
11	Third Party Wheeling Adjustment	7437	8130
12	SWAP IN / OUT	-23	484
13	Unscheduled Interchange	55	-412
	Total Power Purchase	89892	84181

Format: AT&C Loss under UDAY methodology (Revised)

Sl. No	Elements	Formula	2021-22 (Revised)	2020-21 (Restated)
A	Input Energy after SR Loss	(Mkwh)	112989	105051
B	Transmission Losses (Mkwh)	3.77%	4262	4039
B1	Wheeling Units - Open Access IN	(Mkwh)	17016	16951
C	Net Input Energy (Mkwh)	A-(B+B1)	91711	84061
D	Energy Sold excluding other state	(Mkwh)	98782	90014
D1	Wheeling Units - Open Access OUT	(Mkwh)	16706	16392
D2	Energy Sold Net	D-D1	82076	73622
D3	Billing Efficiency	D2 / C	89.49%	87.58%
E	Revenue from Sale of Energy	(Rs. In Cr.)	47542.31	40314.35
F	Adjusted Revenue from Sale of Energy, on Subsidy Received basis (Rs./Cr.)	(Rs. In Cr.)	47542.31	40314.35
G	Opening Debtors for Sale of Energy (Rs./Cr.)	(Rs. In Cr.)	6866.21	5832.04
H	i. Closing Debtors for Sale of Energy	(Rs. In Cr.)	7348.57	6851.01
	ii. Any amount written off during the year directly from (i)	(Rs. In Cr.)	0.00	15.20
I	Adjusted Closing Debtors for sale of Energy	H(i+ii)	7348.57	6866.21
J	Collection Efficiency	(F+G-I)/E*100	98.99%	97.43%
K	Units Realised (Mkwh) = [Energy Sold*Collection efficiency]	D2 X J/100	81243	71733
L	Units Unrealised (Mkwh)= [Net Input Energy-Units Realised]	C-K	10468	12327
M	AT&C Losses (%) = [{ Units Unrealised / Net Input Energy}*100]	L/C*100	11.41%	14.66%

ANNEXURE B - Statement on Consumer Data, Units Sold, ARR (including Tariff Subsidy)									
Previous Year 2020-21 (Restated)					Category	Tariff	This Year 2021-22 (Revised)		
No. of Consumers	Units sold (In Million)	% of total Units sold	Average realisation (Rs. per unit)	Sl. No.			No. of Consumers	Units sold (In Million)	% of total Units sold
					I. High Tension Supply (HT)				
6738	7989	10.85%	9.33	1	Industries, Registered factories, Textiles, Tea estates, IT services, Start up power provided to generators etc.,	IA	7056	12562	15.31%
36	528	0.72%	9.26	2	Railway Traction	IB	40	1038	1.26%
886	1423	1.93%	9.47	3	Govt. Educational Institutions, Govt. Hospitals, Water supply etc, Places of Worship.	IIA	930	1548	1.89%
294	160	0.22%	11.48	4	Private Educational Institutions & hostels	IIB	300	224	0.27%
2007	1384	1.88%	17.96	5	Commercial and other categories	III	2066	1703	2.08%
32	19	0.03%	14.46	6	Lift Irrigation Co-op Societies	IV	44	45	0.06%
39	23	0.03%	15.99	8	HT Temporary Supply for construction and other purposes	V	40	37	0.05%
10032	11525	15.65%	10.52		Sub Total HT (A)		10476	17158	20.90%
					II. Low Tension Supply (LT)				
22326566	30390	33.76%	3.40	9	Domestic, Handloom, Old age homes, Consulting rooms, Nutritious Meals Centres etc.	IA	22953918	30257	36.86%
989138	393	0.44%	4.95	10	Huts in village panchayats, TAHDCO- Till installation of meters (Fully subsidised by the Govt.)	IB	974712	390	0.48%
2811	9	0.01%	12.36	11	L.T. Bulk supply to residential Colonies	I-C	2301	10	0.01%
751059	2403	2.67%	6.79	12	Public lighting by Govt./Local bodies, Public water supply, Sewerage etc.,	IIA	761759	2383	2.90%

(Cont'd)

ANNEXURE B - Statement on Consumer Data, Units Sold, ARR (including Tariff Subsidy)										
Previous Year 2020-21 (Restated)				Category	Tariff	This Year 2021-22 (Revised)				
No. of Consumers	Units sold (In Million)	% of total Units sold	Average realisation (Rs. per unit)			SL. No.	No. of Consumers	Units sold (In Million)	% of total Units sold	Average realisation (Rs. per unit)
77401	126	0.14%	11.60	13	Govt and Govt. aided Educational Institutions, Govt. Hospitals and Research labs, etc	IIB (1)	77843	152	0.18%	10.37
16056	132	0.15%	10.97	14	Private Educational Institutions & Hostels	IIB (2)	16077	157	0.19%	8.46
148810	112	0.12%	7.84	15	Actual Places of Public worship(Bi-monthly)	IIC	150195	119	0.15%	6.81
226176	305	0.41%	4.89	16	Cottage and Tiny Industries, Agricultural and allied activities etc., (contracted load shall not exceed 12 kW)(Bi-monthly)	IIIA(i)	234817	318	0.39%	4.79
159739	898	1.00%	6.68	17	Power Looms (contracted load shall not exceed 12 kW) incl. Winding etc.(Bi-monthly)	IIIA(ii)	161573	912	1.11%	6.46
303475	6925	9.41%	6.50	18	Industries not covered under LT-III-A(1) & III-A(2), if connected load exceeds 12 kW	IIIB	307431	7550	9.20%	7.10
2181330	13956	15.50%	3.06	19	Agriculture and Allied activities - Till installation of meters (Fully subsidised by the Govt.)	IV	2284587	15430	18.80%	3.17
3318003	6199	8.42%	9.24	20	Commercial (Not covered under LT-I-A, I-B, I-C, II-A,II-B(1), II-B(2), II-C, III-A(1), III-A(2), III-B, IV and VI)	V	3430743	6955	8.47%	9.22
342345	248	0.28%	16.75	21	For temporary activities, construction of new buildings and Lavish illumination, etc	VI	381069	285	0.35%	18.54
30842909	62097	84.35%	4.54		Sub Total LT (B)		31737025	64918	79.10%	4.80
30852941	73622	100.00%	5.48		Total HT and LT (A+B)		31747501	82076	100.00%	5.84

TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED

ANNEXURE - C: LOAN PROFILE - FY 2021-22

Sl. No.	Particulars	New GL	Outstanding at the end of 2020-21 Rs.	Amount received during the year 2021-22 Rs.	Repayments due during the year 2021-22 Rs.	(Rs. In Crores)	
						Outstanding at the end of the year 2021-22 Rs.	Outstanding at the end of the year 2021-22 Rs.
I	TNEB Bonds		3851.04	0.00	888.43	2962.61	2962.61
	TNEB Bonds	2030100	3851.04	0.00	888.43	2962.61	2962.61
II	Financial Institutions		103809.79	41354.64	28724.02	116440.40	116440.40
1	REC	2030500 & 2060300	27626.50	10487.59	1584.14	36529.96	36529.96
2	PFC	2030500	31030.49	4440.36	1909.60	33561.25	33561.25
3	TNPFC	2030500 & 2060300	39984.79	26126.69	24039.18	42072.30	42072.30
4	HUDCO	2030500	3707.63	0.00	291.82	3415.81	3415.81
5	IREDA	2030500	1293.01	300.00	781.15	811.85	811.85
6	NABARD	2030500	167.36	0.00	118.14	49.23	49.23
III	Banks		14015.335	1500.000	3749.800	11765.534	11765.534
	BANKS	2030500	14015.33	1500.00	3749.80	11765.53	11765.53
IV	Government Schemes		3298.281	212.929	346.127	3165.083	3165.083
1	PMGY LOAN	2030500	7.35	0.00	1.26	6.10	6.10
2	RGVY LOAN	2030500	0.78	0.00	0.10	0.68	0.68
3	APDRP LOAN	2030500	38.25	0.00	12.89	25.37	25.37
4	RAPDRP -A LOAN	2030500	116.32	0.00	116.32	0.00	0.00
5	RAPDRP -B LOAN	2030500	2311.72	0.00	180.92	2130.80	2130.80
6	DDUGJY	2030500	305.67	12.93	0.16	318.44	318.44
7	IPDS	2030500	518.18	0.00	34.48	483.70	483.70
8	TIIC		0.00	200.00	0.00	200.00	200.00
V	GOTN Loans		9145	0	4563	4582	4582
1	Loans	2030500	3392.17	0.00	0.00	3392.17	3392.17
2	W&M Advance	2030500	1190.28	0.00	0.00	1190.28	1190.28
3	UDAY Loan	2030500	4563.00	0.00	4563.00	0.00	0.00
VI	Bill Discount					7610.97	7610.97
Total Long Term, Short Term & Govt. Loan			134119.90	43067.57	38271.38	146527.06	146527.06

1000

1000

1000

TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
ANNEXURE D - GOTN GUARANTEED LOANS OUTSTANDINGS AS ON 31.03.2022

(Rupees in Crores)

Sl. No.	Guarantee Serial Number	Nature of facility Loan / Bond / Debenture etc.	Institution	Finance Dept. G.O. No. & Date	Guarantee Sanctioned	Guarantee Availed	Guarantee Loan Outstanding as on 31.03.2022
1	354	NABARD Loan	NABARD	G.O.Ms.No.39 Finance (L&A Cell) Dept.Date:10-2-2012	1063.25	1063.25	49.23
2	361	R-APDRP Loan	REC(GoI SCHEMES)	G.O.Ms.No.276 Finance (L&A Cell) Dept.Date:19-7-2012	1072.12	961.77	600.75
3	392	R-APDRP Loan	REC(GoI SCHEMES)	G.O.Ms.No.60 Finance (L&A Cell) Dept.Date:5-3-2015	35.43	27.49	27.49
4	395	R-APDRP Loan	REC(GoI SCHEMES)	G.O.Ms.No.111 Finance (L&A Cell) Dept.Date:16-4-2015	44.31	36.95	36.95
5	372	FRP Loan - 70%	BANKS	G.O.Ms.No.92 Finance (L&A Cell) Dept.Date:26-3-2013	18493.45	17529.95	1100.60
6	375	30% cash loss	BANKS	G.O.Ms.No.367 Finance (L&A Cell) Dept.Date:27-8-2013	2455.00	2425.10	621.57
7	376	Bonds	BONDS	G.O.Ms.No.178 Finance (L&A Cell) Dept.Date:30-6-2014	3335.80	3298.40	2962.61
8	381	FRP Operational Loss 75%	BANKS	G.O.Ms.No.39 Finance (L&A Cell) Dept.Date:10-2-2014	2887.00	2563.39	972.09
9	386	50% Operational Loss	BANKS	G.O.Ms.No.215 Finance (L&A Cell) Dept.Date:1-9-2014	1030.00	822.13	433.13
10	403	HUDCO Loan	HUDCO	G.O.Ms.No.51 Finance (L&A Cell) Dept.Date:18-2-2016	300.00	300.00	183.05
11	415	HDFC BANK	BANKS	G.O.Ms.No.267 Finance (L&A Cell) Dept.Date:1-10-2016	700.00	700.00	61.88
12	422	PFC Loan	PFC	G.O.Ms.No.99 Finance (L&A Cell) Dept.Date:21-4-2017	7668.90	6611.87	6611.87
13	424	PFC Loan	PFC	G.O.Ms.No.120 Finance (L&A Cell) Dept.Date:2-5-2017	3000.00	3000.00	2422.87
14	426	HDFC BANK	BANKS	G.O.Ms.No.221 Finance (L&A Cell) Dept.Date:25-7-2017	500.00	529.34	529.34
15	435	HUDCO Loan	HUDCO	G.O.Ms.No.45 Finance (L&A Cell) Dept.Date:9-2-2018	1000.00	1000.00	758.50
16	437	Vijay bank	BANKS	G.O.Ms.No.109 Finance (L&A Cell) Dept.Date:28-3-2018	1000.00	1000.00	747.08
17	439	SBI	BANKS	G.O.Ms.No.160 Finance (L&A Cell) Dept.Date:10-5-2018	2000.00	2000.00	1523.27

ANNEXURE D - GOTN GUARANTEED LOANS OUTSTANDINGS AS ON 31.03.2022

(Rupees in Crores)

Sl. No.	Guarantee Serial Number	Nature of facility Loan / Bond / Debenture etc.	Institution	Finance Dept. G.O. No. & Date	Guarantee Sanctioned	Guarantee Availed	Guarantee Loan Outstanding as on 31.03.2022
18	440	IOB	BANKS	G.O.Ms.No.192 Finance (L&A Cell) Dept.Date:14-6-2018	500.00	500.00	476.59
19	447	REC Loan	REC	G.O.Ms.No.333 Finance (L&A Cell) Dept.Date:5-10-2018	4000.00	4000.00	3619.05
20	448	PFC Loan	PFC	G.O.Ms.No.363 Finance (L&A Cell) Dept.Date:10-11-2018	4500.00	4500.00	3383.64
21	454	HUDCO Loan	HUDCO	G.O.Ms.No.127 Finance (L&A Cell) Dept.Date:25-4-2019	1000.00	1000.00	827.59
22	486	REC Loan	REC	G.O.Ms.No.392 Finance (L&A Cell) Dept.Date:20-12-2019	1355.86	1355.86	1355.86
23	503	HUDCO Loan	HUDCO	G.O.(Ms.)No.333, Finance (L&A Cell) Dept., dt.07.09.2020. P- Rs.1000 cr and Int.	1000.00	1000.00	931.03
24	507	PFC Loan	PFC	G.O.(Ms.)No.378, Finance (L&A Cell) Dept., dt.22.10.2020. P- Rs.1500 cr and Int.	1500.00	1500.00	1230.03
25	508	PFC Loan	PFC	G.O.(Ms.)No.385, Finance (L&A Cell) Dept., dt.02.11.2020. P- Rs.12,400 cr along with the	12400.00	9368.40	9368.40
26	509	REC Loan	REC	G.O.(Ms.)No.388, Finance (L&A Cell) Dept., dt.02.11.2020. P- Rs.17,830.30 cr along with	17830.30	17057.91	17057.91
27	510	Indian Bank	BANKS	G.O.(Ms.)No.393, Finance (L&A Cell) Dept., dt.10.11.2020. P- Rs.1000 cr.	1000.00	1000.00	400.00
28	511	Canara Bank	BANKS	G.O.(Ms.)No.425, Finance (L&A Cell) Dept., dt.17.11.2020. P- Rs.500 cr.	500.00	500.00	39.90
29	512	SBI	BANKS	G.O.(Ms.)No.427, Finance (L&A Cell) Dept., dt.21.11.2020. P- Rs.1500 cr.	1500.00	1500.00	999.82
30	513	Bank of India	BANKS	G.O.(Ms.)No.428, Finance (L&A Cell) Dept., dt.23.11.2020. P- Rs.1000 cr.	1000.00	1041.21	1041.21
31	517	Bank of Baroda	BANKS	G.O.(Ms.)No.169, Finance (L&A Cell) Dept., dt.13.02.2021.	400.00	400.00	400.00
32	541	Bank of Maharashtra	BANKS	G.O.(Ms.)No.264, Finance (L&A Cell) Dept., dt.02.12.2021.	1000.00	1000.00	1000.00
33	548	PFC loan	PFC	G.O.(Ms.)No.277, Finance (L&A Cell) Dept., dt.20.12.2021.	261.29	146.86	146.86
34	551	Canara Bank	BANKS	G.O.(Ms.)No.35, Finance (L&A Cell) Dept., dt.03.02.2022.	500.00	500.00	518.00
35	552	Indian Bank	BANKS	G.O.(Ms.)No.42, Finance (L&A Cell) Dept., dt.16.02.2022.	1000.00	1000.00	777.77
				Total	97,832.77	91,239.89	63,215.96

TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED

ANNEXURE E - Dues from GoTN., Local Bodies & PSUs as on 31.03.2022

Sl. No.	Name of the Local Bodies/Government Departments	Defaulter within 60 days		Defaulter 61 To 90 days		Defaulter 91 To 180 days		Defaulter for more than 180 days		Grand Total	
		NO. OF SCS	TOTAL DUES	NO. OF SCS	TOTAL DUES	NO. OF SCS	TOTAL DUES	NO. OF SCS	TOTAL DUES	NO. OF SCS	TOTAL DUES
1	Local Bodies	101136	25.79	32395	17.36	87148	71.48	263880	1146.95	484559	1261.58
2	State Governments	12798	4.80	4066	2.80	7602	6.17	45557	110.96	70023	124.72
3	Public Sector Undertaking	668	100.43	169	199.93	397	300.32	7878	1319.12	9112	1919.80
	Total	114602	131.01	36630	220.10	95147	377.96	317315	2577.03	563694	3306.10

