



ABSTRACT

Reorganization of the Tamil Nadu Electricity Board as per the provisions of the Electricity Act 2003 – Tamil Nadu Electricity (Reorganization and Reforms) Transfer Scheme 2010 – Approved - Orders – Issued.

Energy (B2) Department

G.O.(Ms).No.100

Dated:19.10.2010

திருவள்ளூர் ஆண்டு 2041 ஐப்பசி 02

Read:

1. G.O.Ms.No.114, Energy (B2) Department, dated 8.10.08.
2. From the Principal Secretary/Chairman, Tamil Nadu Electricity Board, D.O. Letter No.SE/ PLG/ EE/ GP/ AEE4/ F- Restructuring/ D 208/10, dated 29.5.10)

ORDER:

The Notification appended to this order will be published in the Tamil Nadu Government Gazette Extraordinary, dated the Nineteenth day of October 2010.

(By order of the Governor)

**P.W.C. Davidar,
Principal Secretary to Government.**

TO

The Works Manager, Government Central Press, Chennai-79
(With a request to publish the Notification in the Tamil Nadu Government Gazette Extra ordinary, dated 19.10.2010)

The Chairman, Tamil Nadu Electricity Board, Chennai-2

The Secretary, Tamil Nadu Electricity Board, Chennai-2

The Secretary, Tamil Nadu Electricity Regulatory Commission,
Chennai-8.

Copy to:-

The Ministry of Power,
Government of India, New Delhi-1.

The Chief Minister's Office, Chennai-9
The Senior P.A.to Minister (Electricity), Chennai-9.

(P.T.O)

// 2 //

The Finance (PW-II) Department, Chennai-9.
The Law Department, Chennai-9
Tamil Nadu Government Website www.tn.gov.in
SF/SC

//Forwarded By Order//

SECTION OFFICER.

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NOTIFICATION

In exercise of the powers conferred by sections 131 and 133 of the Electricity Act, 2003 (Central Act 36 of 2003), the Governor of Tamil Nadu hereby makes the following Scheme for the purpose of transfer and vesting of property, interest in property, rights, and liabilities of the Tamil Nadu Electricity Board in the State Government and re-vesting thereof by the State Government in corporate entities and also for the transfer of Personnel of the Tamil Nadu Electricity Board to corporate entities and for determining the terms and conditions on which such transfer and vesting shall be made:-

1. **Short title, extent and commencement:-** (1) This Scheme may be called the Tamil Nadu Electricity (Reorganisation and Reforms) Transfer Scheme, 2010.
(2) It extends to the whole of the State and also to properties, interests, rights, liabilities, proceedings and personnel of the Board outside the State.
(3) It shall come into force on and from the First day of November 2010.
2. **Definitions:-** In this Scheme, unless the context otherwise requires,-
 - (a) **"Act"** means the Electricity Act, 2003. (Central Act 36 of 2003);
 - (b) **"Board"** means the Tamil Nadu Electricity Board constituted under section 5 of the Electricity (Supply) Act, 1948 (Central Act 54 of 1948);
 - (c) **"Company"** or **"Corporation"** means the company incorporated as a fully owned Government Company under the Companies Act 1956 (Central Act 1 of 1956);
 - (d) **"Commission"** means the Tamil Nadu Electricity Regulatory Commission (TNERC) established under section 17 of the Electricity Regulatory Commissions Act, 1998 (Central Act 14 of 1998) and constituted under section 82 of the Electricity Act, 2003 (Central Act 36 of 2003);
 - (e) **"Liabilities"** include all liabilities, debts, duties, obligations and other outstandings including statutory liabilities and Government levies of whatever nature and contingent liabilities which may arise in regard to the dealings before the date of the transfer in respect of the Undertakings transferred under this Scheme;

- (f) **"Personnel"** means staff, workmen, employees, officers and managers of the Board by whatever name called and includes trainees, if any, for the recruitment in the Board and those on deputation from the Board to other organizations or institutions. It includes persons ordered to be permanently absorbed but yet to be absorbed in the Board;
- (g) **"Proceeding"** means the proceeding of whatever nature including suits, appeals, complaints, petitions, applications, conciliatory, arbitration, whether civil or criminal or otherwise;
- (h) **"Property"** means all assets including power systems, dams, tunnels, intake and outlet structures of water conductor systems, generating stations with associated plant, machinery, equipment, transmission towers, lines, transformers, breakers, land, building, offices, stores, installations, furniture, fixtures, vehicles, residential quarters and guest houses and amenities and installations pertaining thereto and other movable and immovable assets, cash in hand, cash at bank, investments, book debts- corporeal and incorporeal, tangible and intangible assets, benefits, consents, authorities, registrations, patents, trademarks and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, approvals, contracts, deeds, schemes, bonds, agreements and other instruments and interest of whatever nature and wherever situate;
- (i) **"Schedule"** means Schedules appended to this Scheme;
- (j) **"State"** means the State of Tamil Nadu;
- (k) **"State Government"** means the Government of Tamil Nadu;
- (l) **"Tamil Nadu Generation and Distribution Corporation Limited"**, means a Company to which the Generation and Distribution Undertakings of the Board are to be transferred in accordance with this Scheme;
- (m) **"Tamil Nadu Transmission Corporation Limited"**, means a company to which the Transmission Undertakings of the Board are to be transferred in accordance with this Scheme;
- (n) **"Terminal Benefits"** means the gratuity, pension, dearness and other applicable allowances, medical benefit, and other applicable benefits including the right to have the appropriate revisions in the above benefits consistent with the practice that were prevalent in the Board;
- (o) **"TNEB Limited"** means the Company that will own all shares of reorganised two Companies (i.e.) Tamil Nadu Generation and

Distribution Corporation Limited and Tamil Nadu Transmission Corporation Limited;

- (p) **"Transferee"** means the Tamil Nadu Generation and Distribution Corporation Limited, Tamil Nadu Transmission Corporation Limited or TNEB Limited, as the case may be, in whom the functions and Undertakings of the Board are vested in terms of the provisions of the Act and this Scheme;
- (q) **"Tripartite Agreement"** means the Agreement entered into by the State Government, the Board and the Union or Association of the Personnel concerned and as may be modified by the parties to the said Agreement, from time to time;
- (r) **"Undertaking"** means the business and block or blocks of properties, interest, rights, liabilities, obligations, proceedings and personnel to the extent and in the manner specified as a part of the Undertakings and such other properties, interest, rights, liabilities, obligations and proceedings and wherever the context so admits shall include the personnel as specified in this Scheme relevant to the functions;
- (s) The words and expressions used in this Scheme and defined in the Act and the rules and regulations made thereunder, but not specifically defined in this Scheme shall have the meanings, respectively as assigned to them in the Act and the rules and regulations made thereunder.

3. Classification of Undertakings of the Board:- (1)The Undertakings of the Board, are classified in the following Schedules:-

- (a) Generation and Distribution Undertakings as set out in **Schedule-A**
 - (b) Transmission Undertakings as set out in **Schedule – B, and**
 - (c) Holding Undertaking as set out in **Schedule - C;**
- (2) If the assets of the Undertaking under sub-clause (1) are subject to any security documents or arrangements in favour of third parties for any financial assistance or obligation taken by the Board and the liabilities in respect thereof have been classified in different Undertakings, the State Government, may by order, to be issued for the purpose, provide for the apportionment of the liabilities secured by such properties, assets and rights between the different Undertakings and upon such apportionment, the security shall stand apportioned to the Undertakings to the extent of the apportioned liabilities only.

- 4. Transfer of property to the State:-** (1) On and from the First day of November 2010 the properties, interests in property, rights and liabilities which before the said date belonged to the Board as specified in Schedules A,B and C shall stand transferred to and vest in the State Government for the purposes of further transfers under this Scheme.
- (2) Nothing in sub-clause (1) shall apply to rights, responsibilities, liabilities and obligations in respect of the personnel and personnel related matters including-the statutory dues such as salary, wages, gratuity, pension, provident fund, compensation, terminal and retirement benefits and the same shall be dealt in the manner provided in clause 6 of this Scheme.

- 5. Transfer of Undertaking by the State:-** (1) The Undertakings forming part of Generation & Distribution Undertakings as set out in Schedule - A together with all assets and liabilities vested in the State Government shall stand transferred to and re-vested by the State Government in the “Tamil Nadu Generation and Distribution Corporation Limited” (hereinafter referred to as “TANGEDCO”) on and from the First day of November 2010 subject to terms and conditions, of the provisions of the Act and this Scheme.
- (2) The Undertakings forming part of Transmission Undertakings as set out in Schedule - B together with all assets and liabilities vested in the State Government shall stand transferred to and re-vested by the State Government in the “Tamil Nadu Transmission Corporation Limited” (hereinafter referred to as “TANTRANSCO”) on and from the First day of November 2010 subject to terms and conditions, of the provisions of the Act and this Scheme.
- (3) The Undertakings forming part of Holding Undertakings as set out in Schedule C together with all assets and liabilities till further orders of the State Government shall stand transferred to and re-vested by the State Government in the “TNEB Limited” on and from the First day of November 2010 subject to terms and conditions, of the provisions of the Act and this Scheme.
- (4) On such transfer and re-vesting of the Undertakings in terms of sub-clauses (1) to (3) and except as otherwise provided, the respective Transferee, shall be responsible for all functions, contracts, rights, deeds, schemes, bonds, agreements and other instruments of whatever nature relating to the respective Undertakings transferred to it to which

the Board was a party, subsisting or having effect on the date of the transfer, in the same manner as the Board was liable immediately before the date of the transfer, and the same shall be in force and effective against or in favour of the respective Transferee and may be enforced effectively as if the respective Transferee had been a party thereto instead of the Board.

- (5) As consideration for the transfer and re-vesting of the Undertakings transferred as specified in this Scheme, TANGEDCO and TANTRANSCO shall have the financial and opening balance sheet and shall issue shares and instruments in favour of TNEB Limited, as the State Government may notify by order (as specified in Part-II of Schedules A and B to this Scheme).
- (6) As consideration for the transfer and vesting of the Undertakings transferred as specified in this Scheme, TNEB Limited shall have the financial and opening balance sheet and shall issue shares and instruments in favour of the State Government, as the State Government may notify by order (as specified in Part-II of Schedule C to this Scheme).
- (7) The transfer and re-vesting of the Undertakings in the Transferees in terms of this Scheme shall take effect immediately on the First day of November 2010 for the purpose notwithstanding that the value of such Undertaking transferred have not been finally determined but have been determined only on provisional basis and is subject to updating, finalization and adjustments at a later date or in terms of clause 11. The Transferee shall continue to function as an agent of the Board till further orders of the State Government.
- (8) The State Government may, by an order, to be issued for the purpose amend, vary, modify, add, delete or otherwise change the terms and conditions specified in the Schedules at any time during the provisional period mentioned in clause 9 of this Scheme.
- (9) The transfer value of the Fixed Assets forming part of Schedules A, B and C of the respective Transferees have been done at book values excluding the land which was revalued based on the guideline value resulting into Revaluation Reserve of Rs. 6868.70 Crores adjusted against the accumulated loss of the Board. However, within the provisional period specified in clause 9 of this Scheme, the final transfer value of the Fixed Assets shall be determined keeping in view the revenue potential of such assets as per section 131 of the Act and shall be determined and effected as if done before the First day of November 2010.

- 6. Transfer of Personnel:-** (1) The transfer of personnel shall be subject to the provisions contained in section 133 of the Act and the Tripartite Agreement.
- (2) All personnel of the Board (excluding Chairman and Director of the Board) shall stand transferred to and absorbed in TANGEDCO on a provisional basis, subject to finalisation of Employee Transfer scheme by the State Government in consultation with the Chairman of TNEB Limited.
- (3) The Chairman and Director of the Board shall stand transferred to and absorbed as per the directions of the State Government.
- (4) A Tripartite Agreement shall be signed between Government of Tamil Nadu, Transferee and the Recognised Unions / Associations to set forth the conditions mutually agreed upon to safeguard the interest of the Personnel and for smooth implementation of the policy of restructuring.
- (5) On the date of transfer under clause 5 of this Scheme, the personnel of the Board shall stand assigned to the services of the relevant Transferee, on deputation basis, on “as-is-where-is” basis, namely, that they will continue to serve in the place where they are posted on the date of transfer, till further orders of the State Government in consultation with the Chairman of TNEB Ltd.
- (6) On the date of transfer under clause 5, of this Scheme the personnel of the Board rendering services to more than one Undertaking or otherwise the services of personnel of common nature shall continue to render such services in the same manner as before till further orders of the State Government in consultation with the Chairman of TNEB Limited.
- (7) The head of Personnel Department of TANGEDCO may issue orders from time to time directing the personnel rendering services relating to an Undertaking or Undertakings to be assigned to the services of another Transferee Undertaking, as the head of Personnel Department of TANGEDCO may, from time to time, consider appropriate during the provisional period specified in sub-clause (1) of clause (9) of this Scheme.
- (8) The assignment of personnel under and in accordance with sub-clauses (2) and (5) above to the Transferees shall continue till the personnel are transferred to and permanently absorbed in the services of a Transferee, in accordance with the provisions of the Act, this Scheme and orders to be issued by the State Government in consultation with the Chairman of TNEB Limited.

- (9) The State Government in consultation with the Chairman of TNEB Limited, will finalize the transfer to and permanent absorption of the personnel in a Transferee taking into account the suitability, ability and experience of the personnel, number and nature of the vacancies and other relevant factors and issue appropriate orders for such permanent absorption within the provisional period of transfer of the Undertakings specified in clause 9 of this Scheme.
- (10) The Chairman of TNEB Limited shall, in consultation with TANGEDCO and TANTRANSCO constitute Grievance Handling Committees separately for officers(Class-I and II) and other employees(Class III and IV) to
- (a) receive representations from the Personnel who may raise grievances in regard to their transfer and absorption in a Transferee; and
 - (b) to make recommendation on such transfer and absorption, within such time as the State Government may specify for the purpose.
- The said Committees will be formed at TNEB Limited with senior officers and representatives from TANTRANSCO and TANGEDCO.
- (11) The State Government in consultation with the Chairman of TNEB Limited shall take a decision on the transfer and permanent absorption of the personnel in a Transferee and shall issue orders based on the recommendation of the Grievance Handling Committee for such transfer and permanent absorption of the personnel.
- (12) Upon the finalization and issue of orders in terms of the sub-clause (9) and (11), the personnel shall form part of the services of the Transferee concerned, in the post, scale of pay or seniority in accordance with the orders that may be issued for this purpose, without any further act, deed or thing to be done by the State Government or the Board or the Transferee or the Personnel or any other person.
- (13) Subject to the provisions of the Act and this Scheme, the personnel shall be governed by the Rules and Regulations framed by the Board existing on the date of Transfer. The Transferee shall be entitled to modify or frame new regulations governing the conditions of service of personnel transferred to the Transferee under this Scheme, but the rank, scale of pay, salary, allowances and other pecuniary benefits including terminal benefits after the date of transfer shall not in any way be less favourable than those which would have been applicable to them if there had been no such transfer under the transfer scheme.

- (14) Managements of the companies shall prepare a new Human Resource Policy Handbook taking into account the new requirements. However, until such a Policy Handbook is issued, the existing policies shall be continued as applicable.
- (15) In respect of all statutory and other Schemes and employment related matters including the provident fund, gratuity fund, pension (to whom it is applicable on the date of the transfer) and any other superannuation fund or any other fund created or existing for the benefit of the personnel, the relevant Transferee shall stand substituted for the Board for all intent and purposes and all the rights, powers and obligations of the Board in relation to any and all such matters shall be of the Transferee concerned and the services of the personnel shall be treated as having been continuous for the above purpose.
- (16) The State Government shall enter into a Tri-partite Agreement to safeguard the pension liabilities and other personnel related liabilities to the extent they are unfunded on the date of the transfer of the Personnel from the Board including due payment of the amounts to personnel who retire on or after the date of the transfer, by the respective Transferees to which the personnel are transferred.
- (17) The said Tri-partite Agreement shall provide for safeguarding the terminal benefits to the employees retired before the date of transfer and to the existing pensioners of the Board as on the date of transfer and the payment to such employees. The payments to existing pensioners shall continue to be met from the cash flow of the operation of the Transferee. The payment to the existing pensioners shall be directly from TANGEDCO and TANTRANSCO shall reimburse their proportional share to TANGEDCO as specified in the said Tri-partite Agreement.

For the purpose of this clause,

- (a.) **"Existing Pensioners"** means all the personnel entitled to receive pension or in receipt of pension under the Board, and shall include family members of the personnel entitled to receive family pension or in receipt of family pension as per the applicable scheme as on the date of transfer from the Board; and
- (b.) **"Terminal Benefits"** means the TNEB's employee-related liabilities, including payments of pension, gratuity, leave encashment, general provident fund and includes Commutation of pension, Family Security Fund, Special Provident Fund 1984,

Special Provident Fund 2000, Settlement of Contributory Pension Scheme and any other retirement benefits and other applicable benefits including the right to have the appropriate revisions in the above benefits consistent with the practice that were prevalent in the Board.

- (18) All proceedings including disciplinary proceedings pending against the personnel prior to the date of transfer from the Board to the Transferee or from such Transferee to another Transferee, as the case may be, or which may relate to misconduct, lapses or acts of commission or omission committed before the date of transfer, shall not abate and shall be continued by the Transferee concerned.
- (19) The personnel transferred to the Transferees, shall be deemed to have entered into an agreement with the Transferee concerned to repay loans, advances and other sums due and perform obligations undertaken by them to the Board which remain outstanding as on the date of the transfer for the benefit of the Transferee in the same manner on the same terms and conditions as contained in the arrangement with the Board.
- (20) The personnel shall cease to be in the service of the Board and shall not assert or claim any benefit of service under the State Government or the Board except as provided in this Scheme and in the Tripartite Agreement. All other terms and conditions as specified in the Tripartite Agreement, shall apply;
- (21) Nothing contained in this Scheme shall apply to personnel of the State Government or other organization on deputation to Board as on the date of transfer but such personnel shall continue on deputation to the Transferee concerned to whose services they are assigned on "as is where is basis" till further orders of the Transferee.

7. Restrictions of rights and obligations of third parties:- Upon the transfer being effected in accordance with the provisions of the Act and this Scheme, the rights and obligations of all persons shall be restricted to the Transferee to whom they are transferred to and notwithstanding anything to the contrary contained in any deed, documents, instruments, agreements or arrangements which such person has with the Board, he shall not claim any right or interest against the State Government, Board or any other Transferee.

8. Pending suits and proceedings:- (1) All Proceedings of whatever nature by or against the Board pending on the date of the transfer shall not abate or discontinue or otherwise in anyway prejudicial be affected by reason of the transfer under this Scheme and the proceedings shall be continued, prosecuted and enforced by or against the Transferee to whom the same are assigned in accordance with this Scheme and orders issued there under.

(2) The proceedings referred to in sub-clause (1) above shall be continued in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Board if the transfers specified in this Scheme had not been made.

9. Classifications and transfer of property, rights, liabilities and proceedings to be provisional in the first instance:- (1) The

classification and transfer of Undertakings excluding personnel under this Scheme, unless otherwise specified in any order made by the State Government, shall be provisional for a period of one year from the respective date of transfer. All transfer of personnel from the Board to TANGEDCO under clause 6 shall be provisional for a period of three years from the date of transfer and after this period, the transfer shall be treated as final, subject to any order passed by the State Government under sub-clause (2) of this clause.

(2) At any time within the provisional period specified in sub-clause (1) above from the respective date of transfer, the State Government may, by order to be notified amend, vary, modify, add, delete or otherwise change the terms and conditions of the transfer including items included in the transfer, and transfer the functions or such properties, interests, rights, liabilities, personnel and proceedings forming part of an Undertaking of a Transferee to that of another Transferee or to the State Government in such manner and on such terms and conditions as the State Government may consider appropriate in terms of the provisions of the Act.

(3) On the expiry of the provisional period as specified in sub-clause (1) above from the respective date of transfer and subject to any directions given by the State Government, the transfer of undertakings, properties, interests, rights, liabilities, personnel and proceedings made in accordance with the Scheme shall become final and the transfers under this Scheme shall stand completed for all intent and purposes.

10. Transfer by operation of law:- The transfer under this Scheme shall operate and be effective pursuant to the action of State Government in issuing orders and in terms of this Scheme without any further act, deed or thing to be done by the State Government, Board, Transferees or any other person, subject to the terms and conditions of this Scheme.

11. Rights, duties and powers of the Transferees during the

provisional period:- (1) The Transferees shall continue to function and undertake business activities assigned to them on behalf of and as agents of the Board till such time the State Government issues a notification authorizing the Transferee to undertake such functions and activities on their own and independent of the Board.

- (2) The State Government may issue the notification under sub-clause (1) above from time to time in respect of one or more of the Transferees, but all such notifications shall be issued before the end of the provisional period mentioned in clause 9.
- (3) The tariff terms and conditions for the sale and supply of electricity for the services of transmission and distribution by the Transferee and all other dealings between the Transferee and also with the Board shall be as may be decided by the Board provisionally and shall be subject to the determination and approval by the Commission.
- (4) Till further orders of the Commission regarding the tariff determination, the revenues from the distribution and retail supply of electricity shall be collected by TANGEDCO in its entirety and will reimburse the expenses of TANTRANSCO on actual basis till further order of the Commission on determination of Tariff for transmission charges.
- (5) The expenses incurred by the TNEB Limited will be reimbursed on actual basis by TANGEDCO and TANTRANSCO in the proportion determined by the Chairman TNEB Ltd in consultation with TANGEDCO & TANTRANSCO.
- (6) In terms of section 14 read with section 131 of the Act, the Transferee concerned shall be a deemed Licensee for the activities and functions of the Board transferred to them which require licenses, under the provisions of the Act. However, the Transferee concerned shall apply to the Commission for grant of licence under section 14 of the Act for carrying on any of the activities after the issue of Notification of Transfer Scheme by the State Government.

- 12. Decision of the State Government shall be final:-** (1) If any doubt, dispute, difference or issue arises in regard to the transfers under this Scheme, subject to the provisions of the Act, the decision of State Government thereon shall be final and binding.
- (2) The State Government may, by an order published in the Official Gazette, make such provisions, not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulties arising in implementing the transfers under this Scheme.
- (3) The State Government may by an order published in the Official Gazette amend, vary, modify, add, delete or otherwise change the terms and conditions specified in the Schedule or any clauses of this Scheme at any time as it deems fit.
- 13. Exemption of Duty:-** The transfer under this Scheme and its implementation shall be exempted from all taxes, duties, levies of the State Government and all its local bodies.

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APPENDIX
SCHEDULE - A
PART I(a) Generation Undertakings

Unless otherwise specified by the State Government, the Generation Undertakings shall comprise of the Assets, Liabilities and proceedings belonging to the Tamil Nadu Electricity Board concerning the Generation of electricity.

I. Existing Power Stations:

A. Thermal:

- (a) Ennore Thermal Power Station with all the five generating units (2X60 M.W and 3X110 M.W units) and a total installed Capacity of 450 MW and with all associated and related equipment such as generators, turbines, boilers, condensers, electrostatic precipitators, controls and instrumentation, railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, DM water plant, secondary fuel oil storage facilities and its handling system, switch yard including step up transformers, service transformers, auxiliary unit transformers, circuit breakers, High Tension & Low Tension switchgears, control and protection system, overhead cranes, chimney, stores, spare parts, consumables, raw materials etc. and works in progress.
- (b) Mettur Thermal Power Station with four generating units of 210 MW each with a total installed capacity of 840 MW each with all associated and related equipment such as generators, turbines, boilers, condensers, electrostatic precipitators, controls and instrumentation, Railway Sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, DM water plant, secondary fuel oil storage facilities and its handling system, switch yard including step up transformers, service transformers, auxiliary unit transformers, circuit breakers, High Tension & Low Tension switchgears, control and protection system, overhead cranes, chimney, stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.
- (c) North Chennai Thermal Power Station with three generating unit of 210

MW each with a total installed capacity of 630 MW with all associated and related equipment such as generators, turbines, boilers, condensers, electrostatic precipitators, controls and instrumentation, Railway Sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, DM water plant, secondary fuel oil storage facilities and its handling system, switch yard including step up transformers, service transformers, auxiliary unit transformers, circuit breakers, High Tension & Low Tension switchgears, control and protection system, overhead cranes, chimney, stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

- (d) Tuticorin Thermal Power Station with five generating unit of 210 MW each with a total installed capacity of 1050 MW with all associated and related equipment such as generators, turbines, boilers, condensers, electrostatic precipitators, controls and instrumentation, railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, De-Mineralised water plant, secondary fuel oil storage facilities and its handling system, switch yard including step up transformers, service transformers, auxiliary unit transformers circuit breakers, High Tension & Low Tension switchgears, control and protection system, overhead cranes, chimney, stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

B. Hydro Generating Circles

(a) Kundah Circle

- Kundah Power House-1 has 3 units of 20 MW each with a total installed capacity of 60 MW.
- Kundah Power House-2 has 5 units of 35 MW each with a total installed capacity of 175 MW.
- Kundah Power House-3 has 3 units of 60 MW each with a total installed capacity of 180 MW.
- Kundah Power House-4 has 2 units of 50 MW each with a total installed capacity of 100 MW.
- Kundah Power House-5 has 2 units of 20 MW each with a total installed capacity of 40 MW.
- Kundah Power House-6 has 1 unit of 30 MW with an installed capacity of 30 MW.

- Pykara Power House /Singara has 7 units comprising of 3 units of 7 MW, 1 unit of 11 MW & 2 units of 13.6 MW with a total installed capacity of 59.2 MW.
- Pykara Micro Power House has 2 units of 1 MW each with a total installed capacity of 2 MW.
- Moyar Power House has 3 units of 12 MW each with a total installed capacity of 36 MW.
- Maravakandy Power House has 1 unit of 0.75 MW with a total installed capacity of 0.75 MW.
- Mukurthy Micro Power House has 2 units of 350 kW each with a total installed capacity of 700 KW.
- PUSHEP has 3 units of 50 MW each with a total installed capacity of 150 MW.

All the above units along with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic hoists, power house stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

(b) Kadamparai Circle

- Sholayar Power House – I has 2 units of 35 MW each with a total installed capacity of 70 MW.
- Sholayar Power House – II has 1 unit of 25 MW with an installed capacity of 25 MW.
- Aliyar Power House has 1 unit of 60 MW with an installed capacity of 60 MW.
- Aliyar Mini Power House has 2 units of 1.25 MW each with a total installed capacity of 2.50 MW.
- Sarkarpathy Power House has 1 unit of 30 MW with an installed capacity of 30 MW.
- Kadamparai Power House (Pumped Storage Scheme) has 4 units of 100 MW each with a total installed capacity of 400 MW.
- Thirumurthy Mini Power House has 3 units of 0.65 MW each with a total installed capacity of 1.95 MW.
- Poonachi Mini Power House has 2 units of 1 MW each with a total installed capacity of 2 MW.

- Amaravathi has 2 units of 2 MW each with a total installed capacity of 4 MW.

All the above units along with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic hoists, power house stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

(c) Erode Circle

- Mettur Dam Power House has 4 units of 12.5 MW each with a total installed capacity of 50 MW.
- Mettur Tunnel Power House has 4 units of 50 MW each with a total installed capacity of 200 MW.
- Lower Mettur Barrage Power House -1 / Chekkanur has 2 units of 15 MW each with a total installed capacity of 30 MW.
- Lower Mettur Barrage Power House -2 / Nerinijipettai has 2 units of 15 MW each with a total installed capacity of 30 MW.
- Lower Mettur Barrage Power House -3 / Kuthiraikkalmedu has 2 units of 15 MW each with a total installed capacity of 30 MW.
- Lower Mettur Barrage Power House -4 / Uratchikottai has 2 units of 15 MW each with a total installed capacity of 30 MW.
- Bhavani Kattalai Barrage – I has 2 units of 15 MW each with a total installed capacity of 30 MW.
- Sathanur has 1 unit of 7.5 MW with an installed capacity of 7.5 MW.
- Lower Bhavani, Mini has 4 units of 2 MW each with a total installed capacity of 8 MW.
- Lower Bhavani RBC has 2 units of 4 MW with a total installed capacity of 8 MW.

All the above units along with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic hoists, power house stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

(d) Tirunelveli Circle

- Kodayar Power House – I has 1 unit of 60 MW with an installed capacity of 60 MW.
- Kodayar Power House – II has 1 unit of 40 MW with an installed capacity of 40 MW.
- Servalar Power House has 1 unit of 20 MW with an installed capacity of 20 MW.
- Papanasam Power House has 4 units of 8 MW each with a total installed capacity of 32 MW.
- Suruliyar Power House has 1 unit of 35 MW with an installed capacity of 35 MW.
- Periyar Power House has 4 units of 35 MW each with a total installed capacity of 140 MW.
- Vaigai Power House has 2 units of 3 MW each with a total installed capacity of 6 MW.
- Perunchani has 2 units of 0.65 MW each with a total installed capacity of 1.30 MW.

All the above units along with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic hoists, power house stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

C. Gas Turbine Power Stations

- (a) Basin Bridge Gas Turbine Power Station (BBGTPS) has 4 units of 30 MW each with a total installed capacity of 120 MW.
- (b) Thirumakottai Gas Turbine Power Station (Kovilkalappal) (TKGTPS) with a total installed capacity of 107.88 MW.
- (c) Kuttalam Gas Turbine Power Station (KGTPS) with a total installed capacity of 101 MW.
- (d) Valuthur Power Station (VGTPS) has 2 units with a total installed capacity of 187 MW.

All the above units along with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic hoists, power house stores, spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

D. Wind Energy Generating Stations

Total number of 108 Wind farms having a total installed capacity of 17.55 MW.

All the above units along with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system and other related accessories required for Wind Energy Generating Stations including spare parts, consumables, raw materials and any other infrastructure connected with generation of electricity including works in progress.

II. Power Projects Under Construction:

- **State Sector:**

- (a) North Chennai Thermal Power Station (NCTPS) Stage – 2, with 2 units of 600 MW each with a total installed capacity of 1200 MW;
- (b) Mettur Thermal Power Station, Stage – 3, with 1 unit of installed capacity of 600 MW;
- (c) Bhavani Kattalai Barrage, Power House II & III, each 2 units of 15 MW with a total installed capacity of 60 MW;
- (d) Bhavani Barrage - I & II, each 2 units of 5 MW with a total installed capacity of 20 MW;
- (e) Periyar Vaigai – 4 Power Houses with total capacity of 13 MW;

- **Joint Venture Projects**

- (a) TNEB-NTPC at Vallur with 3 units of 500 MW each with total installed capacity of 1500 MW;
- (b) TNEB-NLC at Tuticorin with 2 units of 500 MW each with total installed capacity of 1000 MW;
- (c) TNEB-BHEL at Udangudi with 2 units of 800 MW each with total installed capacity of 1600 MW;

III. General Assets:

The following assets, if they exclusively or primarily pertain to the generating stations or projects referred to in items I and II above or activities related to such, generating stations or projects;

- (a) Special tools and equipment, material handling equipment, earth movers,- bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including dams, barrages, canals, roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, training centers, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete..
- (b) All independent and stand-alone rest houses, which are not part of any substations/installations of the Board.
- (c) The office establishment and other buildings and lands, not covered elsewhere in this schedule, which are predominantly occupied/used for the activities of generation undertakings as on the effective date of transfer.

IV. Miscellaneous:

- (a) Contracts, agreements, interest and arrangements to the extent they are associated with or related to generation activities or to the undertakings or assets referred to in item Nos I to III above.
- (b) Loans, secured and unsecured, to the extent they are associated with or related to generation activities or to the undertakings or assets referred to in Para I to III above.
- (c) Other current assets to the extent they are associated with or related to generation activities or to the undertakings or assets referred to in Para I to III above.
- (d) Other Current liabilities and provisions to the extent they are associated with or related to generation activities or the undertakings or assets referred to in Para I to III above.
- (e) Contingent liabilities to the extent they are recognized and are associated with or related to generation activities or to the undertakings or assets referred to in Para's I to III above.
- (f) Other liabilities to the extent they are associated with or related to generation activities or to the undertakings or assets referred to in items I to III above.

- (g) Proceedings to the extent they are associated with or related to generation activities or to the undertakings or assets referred to in Para I to III above.

V. General:

- (a) The assets of the generating undertaking as described above shall stand vest in TANGEDCO.
- (b) In consideration of the transfer as mentioned above, the State Government may direct TANGEDCO to issue instrument such as equity shares, preference shares, debentures and other securities in favour of the State Government as specified in Part - II of Schedule A.

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Part I (b) Distribution Undertaking

Unless otherwise specified by the State Government, the Distribution Undertaking shall comprise of all the Assets, Liabilities and proceedings belonging to the Tamil Nadu Electricity Board concerning the distribution of electricity in the area of supply to all the Circles of Tamil Nadu.

I. Distribution Assets:-

All 33 KV, 22 KV, 11 KV, LT (Single phase 2 wire to 3 phase 5 wire) lines (with overhead lines, Aerial Bunched cables and underground cables) and sub-stations on different types of supports with various sizes of conductors and step up/step down power transformers and distribution transformers, breakers, capacitor banks, protective and metering devices and control rooms, boosters, wireless system, testing laboratories, SCADA and AMR systems, lands (including right of way), buildings, roads, diesel generating sets or other conventional and non-conventional generating units, service connections and installations inside consumer's premises, street lighting and signal systems owned by or leased to the Board but excluding fittings, fixtures and installations owned, by private persons or local authorities, including any of the above assets under construction as on effective date of transfer.

II. General Assets:-

The following, if they exclusively or primarily pertain to the above mentioned distribution systems, properties or projects or activities related to such distribution systems, properties or projects:

- (a) Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, training centres, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.
- (b) All independent and stand-alone rest houses, which are not part of any substations/installations of the Board.
- (c) The office establishment and other buildings and lands, not covered

elsewhere in this schedule which are predominantly occupied/used for the activities of distribution undertaking as on the effective date of transfer.

III. Miscellaneous:-

- (a) Contracts, agreements, interest and arrangements to the extent they are associated with or related to distribution activities or to the undertakings or assets referred to in item Nos I and II above.
- (b) Loans, secured and unsecured to the extent they are associated with or related to distribution activities or to the undertakings or assets referred to in item Nos I and II above.
- (c) Other Current Assets to the extent they are associated with or related to distribution activities or to the undertakings or assets referred to in item Nos I and II above.
- (d) Other Current liabilities and provisions to the extent they are associated with or related to distribution activities or the undertakings or assets referred to in item Nos I and II above.
- (e) Contingent liabilities to the extent they are recognized and are associated with or related to distribution activities or to the undertakings or assets referred to in item Nos I and II above.
- (f) Other liabilities to the extent they are associated with or related to distribution activities or to the undertakings or assets referred to in item Nos I and II above.
- (g) Proceedings to the extent they are associated with or related to distribution activities or to the undertakings or assets referred to in item Nos I and II above.

IV. General:-

- (a) The assets of the distribution undertaking as described above shall stand vest in TANGEDCO.
- (b) In consideration of the transfer mentioned above, the State Government may direct TANGEDCO to issue instrument such as equity shares, preference shares, debentures and other securities in favour of the State Government as specified in Part - II of Schedule A.

Part II Generation and Distribution Undertakings

Aggregate Assets and Liabilities vested in Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)

Opening Balance Sheets - TANGEDCO					
LIABILITIES	Rs. Crores		ASSETS	Rs. Crores	
<u>SOURCES OF FUNDS</u>			<u>APPLICATION OF FUNDS</u>		
<u>SHAREHOLDERS FUND</u>			<u>FIXED ASSETS</u>		
Equity Share Capital - GoTN Equity		2,246.08	Gross Fixed Assets	21,233.55	
<u>Reserves and Reserve Funds</u>			Less: Accumulated Depreciation	7,030.15	
Accumulated Losses		-2,199.80	Net Fixed Assets	14,203.39	
			Capital Works in Progress	2,231.25	16,434.64
TOTAL SHAREHOLDERS FUND		46.28	INVESTMENT / DEPOSITS		298.65
<u>LOAN FUNDS</u>			<u>CURRENT ASSETS, LOANS AND ADVANCES</u>		
Project Specific Liabilities	5,611.32		Stock	1,004.83	
Generic Loans	5,356.42		Net Receivables against Supply of Power	3,581.33	
TOTAL CAPITAL LIABILITIES	10,967.74		Cash and Bank Balances	354.06	
BORROWINGS FOR WORKING CAPITAL	1,220.99	12,188.74	Loan & Advances	444.58	
			Sundry Receivable	477.02	
			TOTAL CURRENT ASSETS, LOANS AND ADVANCES	5,861.82	
			SUBSIDY RECEIVABLE FROM STATE GOVERNMENT	28.96	
			<u>Less: CURRENT LIABILITIES AND PROVISION</u>		
			Security Deposits from Consumers	4,514.85	
			Liabilities related to Staff	826.19	
			Other Current Liabilities	5,048.01	
			TOTAL CURRENT LIABILITIES	10,389.05	
			NET CURRENT ASSETS		-4,498.27
Total Liabilities		12,235.02	Total Assets		12,235.02

Note:-

1. The above opening balance sheet has been drawn on a provisional basis based on available accounts of the Financial Year 2008-09 of the Board and will be considered as a provisional balance sheet as on 01.11.2010 for the Transferee. The amounts mentioned under various heads are subject to validation, verification, updation and truing up and these shall be completed during the provisional period mentioned in Clause 9 of the Transfer Scheme.
2. The amounts mentioned under current assets and current liabilities shall also be subject to audit and finalization.
3. The shares to the extent of the value of the share capital mentioned above shall be issued by the TANGEDCO to the TNEB Limited at par as on the date of the transfer.

Part III Functions and Duties of TANGEDCO

The functions and duties of the TANGEDCO will be detailed as per the clause of the Memorandum of Association and Articles of Association of the company framed thereunder as originally framed or as altered from time to time.

(a) Re-organisation of the Board:- To primarily engage in the business of Distribution and Generation of electricity and be vested with the distribution and generation assets, interest in property, rights and liabilities of the Board necessary for the business of distribution and generation, as per the decision of the State Government to reorganise the Board under the provision of Part XIII (Reorganisation of Board) of the Act (and the transfer schemes notified thereunder) and the resolutions, circulars, ordinances and notification issued in these regard and the company shall act as Distribution Licensee under the provisions of section 14 of the Act.

(b) Business of Generation of Electric Energy:- (1) To take over existing electricity generation stations of the Board and the electric generation stations owned or controlled by the State Government or any Government Corporation or authorities or generation stations of any other person including any interest in electric generation projects or facilities in the State or elsewhere and to acquire, establish, construct, erect, lay, operate, run, maintain, enlarge, alter, renovate, modernise, work and use in the State and elsewhere, electric generating stations, projects associated and all things connected thereto including civil works, fuel, water, and waste storage, use and disposal systems, distribution centres, cables, wires, lines, accumulators, plant, motors, meters, apparatus, materials and things connected with the production, generation, use, storage, measurement, transmission, supply and distribution of the power.

(2) To acquire, establish, develop, construct, erect, lay, operate, run, maintain, enlarge, alter, renovate, modernize, work and use in the State and elsewhere, electric generating stations, projects associated and all things connected thereto including civil works, fuel, water, and waste storage, use and disposal systems, distribution centres, tie-lines, sub-stations and dedicated transmission lines, cables, wires, lines, accumulators, plant, motors, meters, apparatus, materials, and things connected with the production, generation, use, measurement, transmission and supply of electricity.

(c) Business of Distribution of Electric Energy:- (1) To take over the existing electricity distribution system and facilities of the Tamil Nadu Electricity Board, to undertake the electricity sub-transmission distribution and retail supply in the State of Tamil Nadu or outside and for this purpose to plan, acquire, establish, construct, erect, lay, operate, run, manage, maintain, enlarge, alter, renovate, modernise, work and use a power distribution system network in all its aspects and electricity lines and associated sub-stations, including distribution centres, cables, wires, accumulators, plants, motors, meters, apparatus, computers and materials connected with sub-transmission, distribution, supply of electrical energy, communication and telemetering equipment, to undertake for and on behalf of others the erection, operation, maintenance, management of extra high voltage, high voltage, medium voltage and low voltage lines and associated sub-stations, equipment, apparatus, cables and wires.

(2) To study, investigate, collect information and data, review operations, plan, research, design, prepare feasibility reports, prepare project reports, diagnose operational difficulties and weaknesses and advise on the remedial facilities and to undertake for and on behalf of others the setting up of electric power plants and generally work for the efficient and economic management of electric power and the optimum utilization of the resources available.

(d) Common Business of the Company:- (1) To plan, promote and organize an integrated and efficient development of electric power in all its aspects including study, planning, investigation, collection of information and data, review operations, plan, design, research and preparation of preliminary, feasibility and definite project reports, diagnose operational difficulties and weakness and advise on the remedial facilities and take up necessary development and construction, (including any consequential environmental protection of a forestation and rehabilitation works), erection, procurement work for establishment for Power projects for generation of electricity by use of any type of fuel in any manner, distribution of all forms of electric power, operation and maintenance including renovation and modernization of electric power stations and projects establishment of distribution systems and any matter connected with distribution and/or supply of electrical power generated at electric Power Stations and generally work for the efficient and economic management of electric

power and the optimum utilization of the resources available.

- (2) To carry on the business of generating, purchasing, importing, exporting, selling, trading of electrical energy, including formulation of tariff, billing and collection thereof; to tender, finalize and execute Power Purchase Agreements with the Bulk purchasers, Bulk supplier, other generating companies, Central and State generating stations, regional Electricity Board / neighbouring States / utilities and other entities; to execute agreements for sale of power to other distribution companies and other persons and to coordinate, aid and advise on the activities of other companies and concerns, including subsidiaries, associates and affiliates, engaged in generation, transmission, distribution, supply and wheeling of electrical energy, on all the matters concerning to generation and distribution of Electricity.
- (3) To carry on the business of purchase and sale of all forms of electrical power, both conventional and non-conventional, and also to supply, import and export or otherwise deal in all forms of electrical energy.

Without prejudice to generality of the above functions, the Company shall carry out the business of

- (i) Purchase of all forms of power/electricity from Independent Power Producer (IPPs), Captive Power Plants, other Generating Companies, State Electricity Boards, State Governments Statutory bodies, Licensees, Power utilities and to procure it from other sources (whether in Private, Public or Joint Sector Undertakings) including import from abroad;
- (ii) Sell all forms of electrical power to the State Electricity Boards, Power Utilities, Generating Companies, Distribution Companies, State Governments, Licensees, Statutory bodies, other organizations and bulk customers of power, whether in private and public sector or joint sector undertakings, in India and abroad;
- (iii) Supply, distribute, export, or otherwise transfer/exchange of electrical power, and
- (iv) Co-ordinate with all concerned for purchase, import, sale, export, distribute and supply all forms of electrical power, and undertake all connected functions.

SCHEDULE - B

PART I -Transmission Undertaking

Unless otherwise specified by the State Government, the Transmission Undertaking shall comprise of all the Assets, Liabilities and proceedings belonging to the Tamil Nadu State Electricity Board concerning the transmission of electricity in the State.

I. Transmission Assets:-

- (a) All the transmission lines having the capacity to carry electricity at voltages of 66 KV and above (notwithstanding the same are presently charged at voltages below 66 KV) on double circuit / single circuit / single circuit on double circuit towers with Grid substations of various capacities with all associated and related equipment, including step-up, step-down transformers, circuit breakers, switch gear sets in substation, metering arrangements and other protective devices with power-line communication system, allied control rooms, load dispatch centre, lands (including right of way), buildings, roads and other auxiliary assets spread over within and outside the territory of the State including such assets under construction and assets acquired, transferred or rights of which were vested with the Board by transfer, sale, lease or otherwise, but excluding such constructions or installations lawfully owned and operated by others.
- (b) In addition to the above, the 33 KV and below distribution system which are in the 66 KV and above Grid Sub-stations and are integral part of the transformation from 66 KV and above voltages to 33 KV and below voltages shall be part of the transmission system and they shall not form part of the distribution undertakings notwithstanding anything contained in any other schedule.

II. General Assets:

- (a) The following, if they exclusively or primarily pertain to the above mentioned transmission systems properties or projects or activities related to such transmission systems.

Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipments, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil work installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools,

dispensaries, testing laboratories and equipment, training centres, workshops, works in-progress, machinery and equipment sent for repairs, scraps and obsolete.

- (b) All independent and stand-alone Rest houses, which are not part of any substations/installations of the Board.
- (c) The office establishment and other buildings and lands, not covered elsewhere in this schedule which are predominantly occupied/used for the activities of Transmission Undertakings as on the effective date of transfer.

III. Miscellaneous:-

- (a) Contracts, agreements, interest and arrangements to the extent they are associated with or related to transmission activities or to the undertakings or assets referred to in item Nos I and II above.
- (b) Loans, secured and unsecured to the extent they are associated with or related to transmission activities or to the undertakings or assets referred to in item Nos I and II above.
- (c) Other Current Assets to the extent they are associated with or related to transmission activities or to the undertakings or assets referred to in item Nos I and II above.
- (d) Other Current liabilities and provisions to the extent they are associated with or related to transmission activities or the undertakings or assets referred to in item Nos I and II above.
- (e) Contingent liabilities to the extent they are recognized and are associated with or related to transmission activities or to the undertakings or assets referred to in item Nos I and II above.
- (f) Other liabilities to the extent they are associated with or related to transmission activities or to the undertakings or assets referred to in item Nos I and II above.
- (g) Proceedings to the extent they are associated with or related to transmission activities or to the undertakings or assets referred to in item Nos I and II above.

IV. General:-

- (a) The assets of the transmission undertaking as described above shall vest in TANTRANSCO.
- (b) In consideration of the transfer mentioned above, the State Government may direct TANTRANSCO to issue instrument such as equity shares, preference shares, debentures and other securities in favour of the State Government as specified in Part - II of Schedule B.

Part II -Transmission Undertaking

Aggregate Assets and Liabilities vested in Tamil Nadu Transmission Corporation Limited (TANTRANSCO)

Opening Balance Sheets - TANTRANSCO					
LIABILITIES	Rs. Crores		ASSETS	Rs. Crores	
<u>SOURCES OF FUNDS</u>			<u>APPLICATION OF FUNDS</u>		
<u>SHAREHOLDERS FUND</u>			<u>FIXED ASSETS</u>		
Equity Share Capital - GoTN Equity	1,146.49		Gross Fixed Assets	10,644.99	
<u>Reserves and Reserve Funds</u>			Less: Accumulated Depreciation	3,142.11	
Accumulated Losses	-1,102.82		Net Fixed Assets	7,502.87	
			Capital Works in Progress	1,801.53	9,304.40
TOTAL SHAREHOLDERS FUND		43.67			
<u>LOAN FUNDS</u>			<u>CURRENT ASSETS, LOANS AND ADVANCES</u>		
Project Specific Liabilities	1,294.32		Stock	404.67	
Generic Loans	7,988.25		Cash and Bank Balances	12.78	
			Loan & Advances	6.63	
TOTAL CAPITAL LIABILITIES	9,282.57		Sundry Receivable	11.53	
BORROWINGS FOR WORKING CAPITAL	30.82	9,313.39	TOTAL CURRENT ASSETS, LOANS AND ADVANCES	435.61	
			<u>Less: CURRENT LIABILITIES AND PROVISION</u>		
			Liabilities related to Staff	107.84	
			Other Current Liabilities	275.11	
			TOTAL CURRENT LIABILITIES	382.95	
			NET CURRENT ASSETS		52.66
Total Liabilities		9,357.06	Total Assets		9,357.06

Note:-

1. The above opening balance sheet has been drawn on a provisional basis based on available accounts of the Financial Year 2008-09 of the board and will be considered as a provisional Balance Sheet as on 01.11.2010 for the Transferee. The amounts mentioned under various heads are subject to validation, verification, updation and truing up and these shall be completed during the provisional period mentioned in Clause 9 of the Transfer Scheme.
2. The amounts mentioned under current assets and current liabilities shall also be subject to audit and finalization.
3. The shares to the extent of the value of the share capital mentioned above shall be issued by the TANTRANSCO to the TNEB Limited at par as on the date of the transfer.

Part III - Functions and Duties of TANTRANSCO

The functions and duties of the Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO) will be detailed as per the Memorandum of Association and Articles of Association of the company as originally framed or as altered from time to time.

- (a) **Re-organisation of the Board:-** To primarily engage in the business of transmission of electricity and be vested with the transmission assets, interest in property, rights and liabilities of the Tamil Nadu Electricity Board (The “Board”) necessary for the business of transmission, as per the decision of the State Government to reorganise the Board under the provision of Part XIII (Reorganisation of Board) of the Act (and the transfer schemes notified thereunder) and the resolutions, circulars, ordinances and notification issued in these regard and the company shall act as Transmission Licensee under the provision of section 14 of the Act.
- (b) **Business of Transmission of Electric Energy:-** To plan, acquire, establish, construct, erect, lay, operate, run, manage, maintain, enlarge, alter, renovate, modernize, work and use a power system network in all its aspects and extra high voltage, high voltage and associated sub-stations, including computers and materials connected with transmission, communication and telemetering equipment, to undertake for and on behalf of others, the erection, operation, maintenance, management of extra high voltage and high voltage lines, associated substations, equipment, apparatus, cables and wires.
- (c) **Load Despatch Functions:-** To undertake planning and coordination activities with regard to transmission works connected with the transmission, in the State scheduling and Load Despatch functions and such other functions as may be assigned to the Company by law or otherwise by the State Government or the Government Authority specified in this behalf concerning the operation of the power system and to coordinate, aid and advise on the activities of other companies/entities, including subsidiaries, associates and affiliates, engaged in generation, transmission, distribution, supply and wheeling of electrical energy.

(d) Research & Development:- To study, investigate, collect information and data, review operation, plan, research, design and prepare project report, diagnose operational difficulties and weakness and advise on the remedial measures to improve and undertake development of new and innovative product connected with business of the Company as well as modernize existing Extra High Voltage, High Voltage lines and sub-stations.

(e) Consultancy Services:- To provide Engineering Consultancy services.

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SCHEDULE C
PART I -Holding Undertakings
Functions and Undertakings to be retained with the TNEB
Limited (Holding Company)

- (1) The liabilities to the extent to be retained by the TNEB Limited as per the direction the State Government may issue.
- (2) This Company will be primarily an investment company and shall invest in companies in the field of electricity. These companies may be engaged in the business of generation, transmission, distribution and trading of electricity or any or all of these activities.
- (3) The Company shall be the holding company of the TANGEDCO and the TANTRANSCO (hereinafter referred to as a Successor Entities), vested with the assets, interest in property, rights and liabilities of the Tamil Nadu Electricity Board ("The Board") as per the decision of the State Government to reorganize the Board under the provisions of Part – XIII (Reorganisation of Board) of the Act (and the transfer scheme notified thereunder) and the resolutions, circulars, notification or ordinances issued in this regard.
- (4) Control over and supervision of Common Assets and the Management of the Common Facilities and Common Services as the Chairman of the TNEB Limited may from time to time by order direct during the provisional period specified under Clause 0 of the Scheme.
- (5) Subject to and till further orders of the State Government, the implementation, coordination and monitoring of the projects and schemes supported by any financial institution, Accelerated Power Development Reform Programme and any other scheme concerning the electricity sector in the State shall continue to be undertaken by the TNEB Limited. The State Government may at any time and from time to time direct the transfer of the functions relating to any of the above projects or schemes or any part thereof to any of the Transferees, as the State Government may decide.
- (6) Proceedings as the Chairman of the TNEB Limited may from time to time by order direct during the provisional period specified under Clause 0 of the Scheme.
- (7) To hold any residual assets or liabilities not forming part of Schedules A to C and not otherwise adjusted or settled by the State Government.

PART II – Holding Undertaking

Aggregate Assets and Liabilities vested in TNEB Limited

Opening Balance Sheets - TNEBL					
LIABILITIES	Rs. Crores		ASSETS	Rs. Crores	
<u>SOURCES OF FUNDS</u>			<u>APPLICATION OF FUNDS</u>		
<u>SHAREHOLDERS FUND</u>			<u>FIXED ASSETS</u>		
Equity Share Capital - GoTN Equity	2,049.99		Gross Fixed Assets	6.33	
			Less: Accumulated Depreciation	2.50	
TOTAL SHAREHOLDERS FUND		2,049.99	Net Fixed Assets		3.83
			Investment in Subsidiary Company		3,392.56
			<u>CURRENT ASSETS, LOANS AND ADVANCES</u>		
			Cash and Bank Balances	1.37	
			Loan & Advances	6.22	
			Sundry Receivable	10.06	
			TOTAL CURRENT ASSETS, LOANS AND ADVANCES	17.66	
			<u>Less: CURRENT LIABILITIES AND PROVISION</u>		
			Other Current Liabilities	1,364.06	
			TOTAL CURRENT LIABILITIES	1,364.06	
			NET CURRENT ASSETS		-1,346.40
Total Liabilities		2,049.99	Total Assets		2,049.99

Note:-

1. The above opening balance sheet has been drawn on a provisional basis based on available accounts of the Financial Year 2008-09 of the Board and will be considered as a provisional Balance Sheet as on 01.11.2010 for the Transferee. The amounts mentioned under various heads are subject to validation, verification, updation and truing up and these shall be completed during the provisional period mentioned in Clause 9 of the Transfer Scheme.
2. The amounts mentioned under current assets and current liabilities shall also be subject to audit and finalization.
3. The shares to the extent of the value of the share capital mentioned above shall be issued by the TNEB Limited to the State Government at par as on the date of the transfer.

P.W.C. Davidar,
Principal Secretary to Government.

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SECTION OFFICER.