सत्यमेव जयते

Report of the Comptroller and Auditor General of India on

General Purpose Financial Report for the year ended 31 March 2022 (Public Sector Undertakings)

SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Government of Tamil Nadu

Report No. 6 of 2024

Report of the
Comptroller and Auditor General of India

on

General Purpose Financial Report

for the year ended March 2022
(Public Sector Undertakings)

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PREFACE

The accounts of Government Companies are audited by the Comptroller and Auditor General of India (CAG) under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013. The Statutory Auditors (Chartered Accountants) appointed by the CAG certify the accounts of such companies which are subject to supplementary audit by the CAG. The CAG gives his comments upon or supplements the report of the Statutory Auditors. The Companies Act, 2013 empowers the CAG to issue directions to the Statutory Auditors on the manner in which the Company's accounts shall be audited.

2. The CAG conducts supplementary audit of Tamil Nadu Warehousing Corporation under Section 31 (8) of Tamil Nadu Warehousing Corporation Act, 1962 after Chartered Accountants appointed under the statutes have conducted their audit.

3. Audit Reports on the accounts of Government Companies and Corporation for the year ending 31 March 2022 have been prepared separately for submission to the Government under Section 19-A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

4. The accounts of the State Public Sector Undertakings (PSUs) reviewed in this Report cover the accounts for the years 2019-20 to 2021-22 (to the extent received). In respect of PSUs where the accounts for 2021-22 were not received, the figures from the accounts last audited have been adopted.

5. All references to 'Government Companies/Corporations or PSUs' in this Report may be construed to refer to 'State Government Companies/Corporations' unless the context suggests otherwise.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

About this report

This report presents the financial position and performance of the Public Sector Undertakings (PSUs) in Tamil Nadu. Besides this, the report also covers other significant aspects *viz.,* Oversight role of CAG, Corporate Governance in PSUs and Corporate Social Responsibility.

Audit Coverage

There were 86 State Public Sector Undertakings (PSUs) under the audit jurisdiction of the Comptroller and Auditor General of India as on 31 March 2022. These included 69 Government companies, 16 Government controlled other companies and one Statutory corporation. This Report deals with the analysis of financial position and performance of 67 working Government companies, 14 working Government controlled other companies and one Statutory corporation. Two PSUs which were defunct/ non-working/ under liquidation and two Government controlled other companies from whom first accounts have not been received are not covered in this Report.

(Para 1.1.3)

What we have found and what do we recommend?

The report contains four chapters under which particulars of the financial position and operational performance of PSUs are reviewed and CAG's observations thereon. Further, Corporate Governance practices and Corporate Social Responsibility activities of PSUs are reviewed and recommendations thereon are provided.

Chapter I Summary of Financial Performance of Public Sector Undertakings

Investment by State Government

As on 31 March 2022, the total investment by Government of Tamil Nadu in 68 PSUs (including one Statutory corporation) was ₹48,446.56 crore comprising of equity share capital of ₹39,233 crore and long term loans of ₹9,213.56 crore. The GoTN infused equity of ₹1,279.53 crore in 11 PSUs during 2021-22.

(Para 1.2)

Return from PSUs

Out of 68 working PSUs, 34 PSUs earned a profit of ₹1,648.06 crore during 2021-22 as per their latest finalised accounts while 30 PSUs incurred losses of ₹22,192.94 crore. Four PSUs have neither earned profit nor incurred loss.

(Para 1.3.1 and Para 1.3.2)

Net worth/ Accumulated losses

There were 31 working PSUs with accumulated losses of ₹1,83,261.47 crore as per their latest finalised accounts as on 31 March 2022. Of these, the net worth of 22 PSUs had been completely eroded by their accumulated losses and their net worth was negative. The net worth of these PSUs was (-) ₹1,50,873.40 crore against equity investment of ₹32,208.85 crore. As a result, the aggregate net worth of these PSUs had become negative to the extent of ₹1,50,873.40 crore as on 31 March 2022. Out of the 22 PSUs whose capital had been eroded, 21 PSUs had reported loss of ₹22,175.20 crore while one PSU reported a profit of ₹10.69 crore as per their latest finalised accounts.

(Para 1.3.3)

13 working PSUs declared dividend of ₹274.46 crore during the year 2021-22. Out of this, dividend received/receivable by GoTN amounted to ₹267.80 crore which represented 0.68 *per cent* return on the total investment by the GoTN (₹39,233 crore) in 68 working PSUs.

(Para 1.3.4)

18 profit earning PSUs had not declared dividend or declared dividend lesser than the percentage stipulated by GoTN and there was shortfall of ₹318.28 crore in the payment of dividend to GoTN.

(Para 1.3.4)

Chapter II Oversight role of CAG

Out of 86 PSUs, 73 PSUs submitted their accounts (including one statutory corporation) for the financial year 2021-22 for audit within stipulated period. One PSU submitted its arrear accounts (2020-21) for audit by CAG.

(Para 2.3.2)

Out of the 73 PSUs from which financial statements for the year 2021-22 was received, supplementary Audit was undertaken in 47 PSUs (including one Statutory Corporation). In respect of the financial statements received from the balance 26 PSUs, CAG conducted review of the financial statements and the statutory auditors' report and issued Non-review certificate to those companies.

(Para 2.5.1)

As a result of supplementary audit of the financial statements conducted by the CAG, four Government Companies and one Government Controlled Company amended their Financial Statements and the Statutory Auditors of 19 Government Companies and three Government Controlled Companies revised their Audit report before laying the financial statements in the Annual General Meeting.

(Para 2.5.1.1 and Para 2.5.1.2)

Based on the supplementary audit, comments were issued on the financial statements of one PSU for the year 2021-22 and the financial impact of significant comments issued on its financial statements on the profitability was ₹2,286.09 crore.

(Para 2.5.1.3)

Deviations from the provisions of Accounting Standards/Ind AS in preparation of the financial statements were noticed in 11 PSUs by the statutory auditors.

(Para 2.7)

Chapter III Corporate Governance

Out of 84 working PSUs, 74 PSUs (including one statutory corporation) had furnished the details regarding Corporate Governance which were considered for analysis. Out of the 74 PSUs, 20 PSUs did not comply with the mandatory requirement of conducting four meetings of the Board of Directors during 2021-22.

(Para 3.1.4 and 3.2.1)

In ten PSUs the representation of Independent Directors was below the required number in their Board. The stipulation of appointing at least one woman director was not met by two PSUs.

(Para 3.2.2 and 3.2.3)

In six PSUs, the Independent Directors did not attend the general meetings of the PSU.

(Para 3.3.4)

In nine PSUs, the posts of Key Managerial Personnel were not filled up within the time prescribed.

(Para 3.4.1)

Audit Committee was not constituted in two PSUs and majority of the members of Audit Committee were not Independent Directors in 13 PSUs.

(Para 3.5.1)

The role of the Nomination and Remuneration Committee is to determine the framework and policy on the terms of engagement (including remuneration) of the Chairman, Executive Directors and each member of the Board. It was seen that such committee was not constituted in 22 PSUs.

(Para 3.6.1)

12 PSUs did not implement whistle blower mechanism though they satisfied the criteria required for the same.

(Para 3.6.2)

Chapter IV Corporate Social Responsibility

Audit reviewed the Corporate Social Responsibility (CSR) activities carried out by 15 PSUs which reported profit of rupees five crore or more and one

listed PSU which was having accumulated profit as per its latest annual accounts. It was seen that CSR committee of 12 out of 16 PSUs monitored implementation of CSR policy. Six PSUs spent more than two *per cent* of CSR funds, nine PSUs spent exactly two *per cent* and one PSU spent less than two *per cent*.

(Para 4.3, 4.5.4 and 4.5.2.2)

The total spending on CSR activities by 16 PSUs was ₹37.13 crore. Contributions to State Disaster Management Authority (62.21 *per cent*) and social development and removal of social inequality (14.73 *per cent*) were the main focus areas and secured maximum funding.

(Para 4.5.2.5 and 4.5.3.3)

What did we recommend?

We recommended the following to the Government of Tamil Nadu:

1. Out of the 86 PSUs, 84 PSUs are functional and two are non-functional. Out of the two non-functional PSUs, one PSU is defunct and one PSU is under liquidation by the court. It is recommended that the Government must expedite the process of winding up by vigorously pursuing the process of voluntary winding up under the Companies Act.
2. There is a difference of ₹472.06 crore in equity between the PSUs and the Government of Tamil Nadu. The State Government and the respective PSUs should reconcile the differences in a time-bound manner.
3. Government may set up an expert committee to identify and fix the operational inefficiencies and prepare a time bound action plan to revive the loss making PSUs. Also, the business models of the loss making PSUs need to be analysed in order to address the root cause of the losses. In case the business model is not sustainable then the Government should close the PSUs to avoid further straining of the public exchequer.
4. Since the audit of loss making and net worth eroded PSUs was carried out in four PSUs and specific study was conducted on TANGEDCO, the Government should undertake similar reviews to evaluate the under-performance in the remaining PSUs and take suitable steps for mitigating the persistent losses being incurred by the PSUs.
5. Financial turnaround of the PSUs should be envisaged only after evaluating their repayment capacity.
6. Delay in submission of accounts would attract levy of fines and/or imprisonment as per the provisions of section 129 (7) of the Companies Act, 2013 and hence, Government must fix responsibility on the concerned CEOs/CMDs for such delays.

7. As a Corporate Governance measure, Government must ensure that:

7.1 PSUs comply with the provisions of the Companies Act, 2013 with respect to composition of Independent Directors and Women Directors in their Board.

7.2 Audit Committee is constituted as per the provisions of the Companies Act, 2013 and Government orders. In respect of the PSUs which constituted Audit Committee, Government should also ensure that the PSUs appoint majority of the members as Independent Directors of the Audit Committee.

7.3 Audit Committees review the Internal Audit processes including the internal audit reports, action taken on the reports by the PSUs as per the provisions of the Companies Act.

7.4 Audit Committees discuss with the Statutory Auditors the areas of concerns in the PSUs and suggest additional areas which require further probe and reporting.

7.5 Whistle blower mechanism is formed by the PSUs which are legally required to do so.

7.6 Regular meetings of Board of Directors are held as per the provision of the Companies Act.

7.7 Training is provided to the Directors of the PSUs to keep themselves updated with the changes taking place around the business environment.

8. As a Corporate Social Responsibility measure, Government must ensure that:

8.1 PSUs frame their CSR policy.

8.2 PSUs should focus on spending the entire allocated funds on eligible activities in timely manner.

8.3 The PSUs carry out impact assessment of their CSR activities.

8.4 PSUs must comply with the reporting and disclosure requirements of the CSR policy.

CHAPTER I

CHAPTER I

Summary of Financial Performance of Tamil Nadu Public Sector Undertakings

1.1 Introduction

This Report presents the summary of financial performance of Government Companies, Statutory Corporations and Government controlled other Companies. In the Report, the term Public Sector Undertakings (PSUs) encompasses those Government companies in which the direct holding of the State Government is 51 *per cent* or more and subsidiary of such Government companies. The Statutory Corporations set up under Statutes enacted by the legislature and other companies owned or controlled, directly or indirectly by the State Government have also been categorised as PSUs.

A Government Company is defined under Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Government Company

Any company in which not less than 51 *per cent* of paid-up share capital is held by Central Government or by one or more State Governments or partly by Central Government and partly by State Government(s) and includes subsidiary of a Government company.

Besides, any other company[1] owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

There are a total of 86 PSUs in Tamil Nadu which include 69 Government Companies, 16 Government Controlled Companies and one Statutory Corporation. Out of the 69 Government Companies five are Power Sector PSUs. Out of the total 86 PSUs, 84 PSUs are functional and two are non-functional. The number of PSUs covered in this report is 82 (67 Government companies, one Statutory Corporation and 14 Government controlled other companies). However, this report does not cover departmentally run public enterprises.

[1] Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs *vide* Gazette Notification dated 04 September 2014.

1.1.1 Mandate

Audit of PSUs is conducted by the CAG under the provisions of Section143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for PSUs and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit. The statutes governing the Statutory Corporation require that its accounts to be audited only by the CAG.

1.1.2 What this Report contains

This Report gives an overall picture of the financial performance of the Tamil Nadu PSUs as revealed from their accounts. Impact on revision of accounts as well as significant comments issued as a result of supplementary audit of the financial statements of the PSUs conducted by the CAG for the year 2021-22 (or of earlier years which were finalised during the current year) is given in this Report.

This Report also gives an overall picture of the status of the adherence of PSUs to the guidelines issued by the Securities and Exchange Board of India (SEBI), Bureau of Public Enterprises (BPE), Finance Department, Government of Tamil Nadu and compliance with provisions of Companies Act, 2013 and guidelines issued by BPE on Corporate Governance and Corporate Social Responsibility.

1.1.3 Number of PSUs

As on 31 March 2022, there were 86 PSUs under the audit jurisdiction of the CAG. These include 69[2] Government Companies, one Statutory Corporation[3] and 16 Government Controlled Other Companies. Of these, summary of financial performance of 82 PSUs is covered in this report excluding two non-functional PSUs and two PSUs whose first accounts were due and the nature of these PSUs is indicated in **Table 1.1.**

Government Companies	**69**
Statutory Corporation	**1**
Government controlled other companies	**16**
Total PSUs	**86**

[2] 69 Government companies include 57 standalone/holding Government companies and 12 subsidiaries of holding Government companies.

[3] Tamil Nadu Warehousing Corporation.

Table 1.1: Coverage and nature of PSUs covered in this report

Nature of the PSUs	Total number of PSUs	Number of PSUs covered in the Report				Number of PSUs not covered in the Report
		Accounts up to			Total	
		2021-22	2020-21	2019-20		
Government Companies	69	57	6	4	67[4]	2
Statutory Corporations	1	1	0	0	1	0
Total Companies/ Corporations	70	58	6	4	68	2
Government Controlled other Companies	16	14	0	0	14	2[5]
Total	**86**	**72**	**6**	**4**	**82**	**4**

Source: Compiled based on the accounts received from PSUs during the respective years.

The details of PSUs which came under/went out from the purview of CAG's audit during 2021-22 are given in **Appendix-I.**

This Report does not include two PSUs[6] which were defunct/ under liquidation**.** However, the status of winding up and their liabilities outstanding as on 31 March 2022 has been furnished below:

Out of the above two PSUs, one PSU *viz.,* Tamil Nadu Goods Transport Corporation Limited had commenced its liquidation process. The closure order for Tamil Nadu State Construction Corporation Limited was issued by the Government of Tamil Nadu (GoTN) but the winding up process has not yet been commenced.

It is observed that as on 31 March 2022 Tamil Nadu State Construction Corporation Limited has outstanding liabilities of ₹29.64 crore, whereas there were no liabilities outstanding in respect of Tamil Nadu Goods Transport Corporation Limited.

The Summary of financial performance of PSUs covered in this report is indicated in **Table 1.2** below:

[4] Out of 67 PSUs, State Government has direct holding in 55 PSUs. The remaining 12 PSUs are subsidiaries of these 55 PSUs.

[5] Represents two PSUs whose first accounts are due and hence not covered in the report.

[6] Tamil Nadu State Construction Corporation Limited and Tamil Nadu Goods Transport Corporation Limited.

Table 1.2: Summary of financial performance of PSUs covered in this report (Government Companies and Statutory Corporations)

(₹ in crore)

Particulars	Amount
Number of PSUs (Government Companies and Statutory Corporations)	70
PSUs selected for this report (in Nos.)	68
Paid up capital (68 PSUs)	65,161.84
Long term loans (68 PSUs)	1,79,835.97
Market capitalization (One listed traded Government Controlled Company)	1,163.43
Net profit (34 PSUs)	1,648.06
Net loss (30 PSUs)	22,192.94
Zero profit/loss PSUs (Four PSUs)	-
Dividend declared (13 PSUs)	274.46
Total assets (68 PSUs)	3,51,001.03
Value of production (68 PSUs)	1,06,983.81

Source: Latest finalised accounts of PSUs.

1.1.4 Contribution of the PSUs to the GSDP of the State

A ratio of turnover of the PSUs (Government companies and corporations) to the Gross State Domestic Product (GSDP) shows the extent of their activities in the State economy. The Compounded Annual Growth Rate[7] (CAGR) is a useful method to measure growth rate over multiple time periods. The details of turnover and the GSDP for a period of three years ending 31 March 2022 are given in **Table 1.3.**

Table 1.3: Turnover of PSUs (Government Companies and Corporations) *vis-a- vis* GSDP of Tamil Nadu

(₹ in crore)

Particulars	2019-20	2020-21	2021-22
Turnover	1,10,956.35	1,11,294.83	1,23,546.96
GSDP of Tamil Nadu	17,43,144	18,08,239	20,65,436
Percentage of Turnover to GSDP of Tamil Nadu	6.37	6.16	5.98
Percentage of growth of turnover	-11.24	0.31	11.01
Percentage of growth of GSDP	6.93	3.73	14.22

Source: Turnover reported in the latest finalised accounts of PSUs (Government Companies and Corporations) and GSDP figures as per State Finance Audit Report of CAG of India for the year 2021-22 of GoTN.

It may be seen from the table above, that the growth rate of GSDP increased by 14.22 percentage during 2021-22 as compared to 2020-21 and the aggregate turnover of PSUs (Government Companies and Corporations) also increased by 11.01 percentage during the same period. CAGR of GSDP and turnover recorded growth of 8.85 *per cent* and 5.52 *per cent* respectively during 2019-20 to 2021-22.

[7] The compounded annual growth rate calculated as per the formula: ((Final Value/Beginning Value)^1/number of years)-1.

The analysis of performance of PSUs have been segregated into Power Sector and Non-Power Sector which are discussed in the **Table 1.4** below:

Table 1.4: Turnover of Power sector/ Non-Power Sector PSUs *vis-a-vis* GSDP of Tamil Nadu

(₹ in crore)

Particulars	2019-20	2020-21	2021-22
Turnover of Power Sector PSUs	62,868.47	58,884.27	65,620.22
Turnover of Non-Power Sector PSUs	48,087.88	52,410.56	57,926.74
GSDP of Tamil Nadu	17,43,144	18,08,239	20,65,436
Percentage of growth of Power Sector turnover	2.97	-6.34	11.44
Percentage of growth of Non-Power Sector turnover	-24.80	8.99	10.53
Percentage of Power Sector Turnover to GSDP of Tamil Nadu	3.61	3.26	3.18
Percentage of PSUs of Non-Power Sector Turnover to GSDP of Tamil Nadu	2.76	2.90	2.81
Percentage of growth of GSDP	6.93	3.73	14.22

Source: Turnover reported in the latest finalised accounts of PSUs (Government Companies and Corporations) and GSDP figures as per State Finance Audit Report of CAG of India for the year 2021-22 of GoTN.

It may be seen from the above **Tables 1.3 and 1.4**, that percentage of growth of turnover of power sector PSUs and Non-Power sector PSUs increased by 11.44 and 10.53 *per cent* respectively during 2021-22 and consequently, the overall percentage growth of turnover of all the PSUs also increased by 11.01 *per cent.* However, percentage of turnover of Power PSUs and Non-Power PSUs to GSDP showed a decreasing trend and stood at 3.18 and 2.81 *per cent* respectively during 2021-22.

1.2 Investment in PSUs (Government Companies and Corporations)

The amount of equity and loans in 68 PSUs (Government companies and Statutory Corporations) as at the end of 31 March 2022 is given in **Table 1.5.**

Table 1.5: Equity and loans in PSUs (Government Companies and Corporations)

(₹ in crore)

Sources of investment	As on 31.03.2022			As on 31.03.2021		
	Equity	Long term loans	Total	Equity	Long term loans	Total
1. State Government	39,233.00	9,213.56	48,446.56	37,953.47	13,129.43	51,082.90
2.Central Government	55.86	2.29	58.15	52.29	5.08	57.37
3. Public Sector Undertakings	25,740.33	61,316.41	87,056.74	25,707.94	36,465.55	62,17349
4. Financial Institutions and Others	132.65	1,09,303.71	1,09,436.36	132.65	1,10,299.33	1,10,431.98
Total	**65,161.84**	**1,79,835.97**[8]	**2,44,997.81**	**63,846.35**	**1,59,899.39**	**2,23,745.74**
Percentage of investment of State Government to total investment	60.21	5.12	19.77	59.45	8.21	22.83

Source: Latest finalised accounts of PSUs and details received from PSUs.

[8] The amount represents the total long term loans outstanding in 30 PSUs out of 68 PSUs

1.2.1 Equity holding

As on 31 March 2022, the total equity holding at face value in the 68 PSUs covered in this Report registered a net increase of ₹1,315.49 crore comprising of ₹1,279.53 crore invested by State Government, ₹3.57 crore by Government of India and ₹32.39 crore by State PSUs. The total equity of ₹1,279.53 crore invested by State Government during the year 2021-22, resulted in cash inflow to 11 PSUs. Review of the new equity holding of ₹1,279.53 crore involving cash flow in PSUs indicated that infusion of ₹4.92 crore was towards implementation of climate friendly modernization of bus services in major cities of Tamil Nadu in six State Transport Undertakings(STU)[9] and ₹2.75 crore in one STU[10], ₹400 crore for complying with Reserve Bank of India guidelines for achieving Capital to Risk (Weighted) Assets Ratio (CRAR) for acceptance of public deposits in Tamil Nadu Power Finance and Infrastructure Development Corporation Limited, ₹439.09 crore to Tamil Nadu Transmission Company Limited for East Coast Economic Corridor Phase-II Chennai-Kanyakumari Industrial Corridor Project (₹375 crore) and implementation of transmission system improvement project (₹64.09 crore), ₹3.30 crore for Dam Rehabilitation and Improvement Project in TNEB Limited and ₹5 crore investment in newly formed Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited. Further, the Rights issue of shares of ₹424.47 crore at par by Tamil Nadu Transport Development Corporation Limited was subscribed by Government of Tamil Nadu. No loan amount advanced by the State Government to the PSUs was converted into equity.

Details of significant holding (more than ₹1,000 crore) of the State Government during 2021-22 in the paid up capital of the PSUs is given in **Table 1.6.**

Table 1.6: Significant holding of the State Government

(₹ in crore)

Name of the PSU	Name of the Department	Amount
TNEB Limited	Energy	25,379.24
Tamil Nadu State Transport Corporation Limited (eight Corporations)	Transport	6,303.61
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	Energy	3,767.00
Tamil Nadu Transport Development Finance Corporation Limited	Transport	2,032.10

Source: Latest finalised accounts of PSUs and details received from PSUs.

[9] Tamil Nadu State Transport Corporation (Coimbatore) Limited, Tamil Nadu State Transport Corporation (Kumbakonam) Limited, Tamil Nadu State Transport Corporation (Salem) Limited, Tamil Nadu State Transport Corporation (Villupuram) Limited, Tamil Nadu State Transport Corporation (Villupuram) Limited and Tamil Nadu State Transport Corporation (Tirunelveli) Limited.

[10] Tamil Nadu State Transport Corporation (Salem) Limited.

1.2.1.1 Reconciliation with Finance Accounts of Government of Tamil Nadu

The figures in respect of equity outstanding as per records of PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Tamil Nadu (GoTN). In case the figures do not agree, the concerned PSUs and the Finance Department of GoTN should carry out reconciliation of the differences. Audit observed that as on 31 March 2022, there were differences of ₹472.06 crore in respect of equity outstanding in 22 PSUs as shown in **Appendix II.**

1.2.2 Loans given to PSUs (Government Companies and Corporations)

1.2.2.1 Computation of long term loans outstanding as on 31 March 2022

It may be seen from the **Table 1.5**, the total long term loans outstanding in 30 PSUs out of 68 PSUs (Government companies and Corporations) from all sources was ₹1,79,835.97 crore as on 31 March 2022. Out of the total loans of 68 PSUs[11] as on 31 March 2022, loans from State Government was ₹9,213.56 crore which included seven PSUs[12] which were given fresh loans of ₹83.15 crore during 2021-22. All the above seven PSUs were given loans during both the years 2020-21 and 2021-22. Audit noticed that during 2021-22, none of the above seven PSUs repaid principal amount of loan, while one PSU (Tamil Nadu Generation and Distribution Corporation Limited) converted the interest-free loan of ₹4,563 crore into grant under Ujwal Discom Assurance Yojana (UDAY) Scheme.

It may further be seen from the **Table 1.5**, the total long term loan outstanding as on 31 March 2022 was ₹1,79,835.97 crore which included ₹9,213.56 crore payable by PSUs to State Government and ₹1,09,303.71 crore to Banks/Financial institutions etc. Out of the outstanding State Government loans of ₹9,213.56 crore, ₹4,582.45 crore was due from one Power Sector PSU *viz.,* Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The loans payable by PSUs to sister PSUs amounted to ₹61,316.41 crore which included loans payable by TANGEDCO amounting to ₹42,272.30 crore. The loans payable by PSUs to Banks and Financial institutions amounted to ₹1,09,303.71 crore which included loans payable by TANGEDCO amounting to ₹89,098.75 crore. Thus, out of the total long term loan liability of ₹1,79,835.97 crore as on 31 March 2022, TANGEDCO's liability stood at ₹1,35,953.50 crore constituting 75.60 *per cent.*

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11 Out of 68 PSUs, 38 did not have any long term loan as on 31 March 2022.

12 State Express Transport Corporation Limited, Metropolitan Transport Corporation, Tamil Nadu State Transport Corporation (Coimbatore) Limited, Tamil Nadu State Transport Corporation (Kumbakonam) Limited, Tamil Nadu State Transport Corporation (Salem) Limited, Tamil Nadu State Transport Corporation (Madurai) Limited and Tamil Nadu State Transport Corporation (Tirunelveli) Limited.

1.2.2.2 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts *i.e.,* ideally, the Debt asset ratio should be less than one. The summary of coverage of long term loans by value of total assets in 30 PSUs which had outstanding loans as on 31 March 2022 is given in **Table 1.7**. However, the coverage of long term loans by value of total assets in 30 PSUs individually is furnished in **Appendix IIIA** and **IIIB**.

Table 1.7: Coverage of long term loans with total assets

	PSUs having Debt Asset Ratio <1				PSUs having Debt Asset Ratio >1			
	No. of PSUs	Long term loans (₹ in crore)	Assets (₹ in crore)	Ratio of debts to assets	No. of PSUs	Long term loans (₹ in crore)	Assets (₹ in crore)	Ratio of debts to assets
Statutory Corporations	1	77.44	358.47	0.22:1	--	--	--	--
Unlisted PSUs	19	1,65,609.80	2,37,056.55	0.70:1	10	14,148.73	2,780.16	5.09:1
Total	**20**	**1,65,687.24**	**2,37,415.02**	**0.70:1**	**10**	**14,148.73**	**2,780.16**	**5.09:1**

Source: Details received from PSUs.

It may be seen from the above table that Debt asset ratio in respect of 20 PSUs (including one Statutory Corporation) was less than one indicating that these PSUs are solvent (**Appendix IIIA)**. However, in respect of 10 PSUs, the Debt asset ratio was more than one which indicated that they are not solvent as the value of total assets of these PSUs was less than the loans outstanding. The loans outstanding was more than five times the value of assets in these 10 PSUs **(Appendix IIIB)**

1.2.2.3 Interest Coverage

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicated that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of PSUs, which had outstanding loans during the period from 2019-20 to 2021-22 are given in **Table 1.8**.

Table 1.8: Interest Coverage Ratio

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	No. of PSUs	No. of PSUs having ICR>=1	No. of PSUs having ICR<1
Statutory Corporation					
2019-20	4.99	37.50	1	1	--
2020-21	5.31	39.01	1	1	--
2021-22	4.58	33.90	1	1	--
Unlisted PSUs (Government Companies)					
2019-20	16,182.53	-1,496.56	30	12	18
2020-21	14,912.93	-9,660.21	29	12	17
2021-22	15,639.18	-6,184.49	28	14	14

Source: As per the latest finalised accounts of PSUs.

It was observed that the number of PSUs with ICR equal to or more than one has increased during 2021-22, compared to the previous year. Out of the 29 PSUs having liabilities of loans, 14 PSUs had ICR lesser than one indicating that these PSUs could not generate adequate income to pay off their interest liabilities. The remaining 15 PSUs had ICR equal to or more than one indicating availability of sufficient income to pay off their interest burden.

1.2.2.4 Age Wise Analysis of interest outstanding on State Government loans

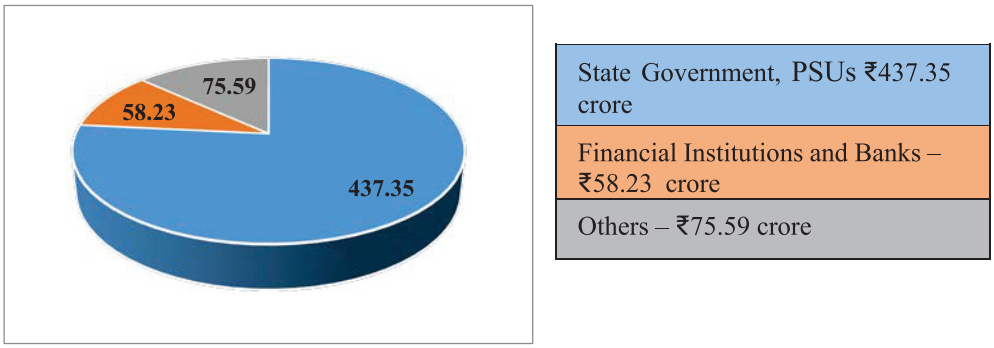
As on 31 March 2022, interest amounting to ₹4,790.02 crore was outstanding on loans availed by 17 PSUs provided by State Government. Out of this, interest amounting to ₹1,285.73 crore was outstanding for more than three years in respect of 11 PSUs. The age wise analysis of interest outstanding on State Government loans in PSUs is given in **Appendix – IV.**

1.2.3 Investment in Government Controlled other Companies

The capital invested by the State Government and by PSUs controlled by them in 14 Government Controlled other Companies during the year 2021-22 is depicted in **Chart 1.1.**

Chart 1.1: Composition of share capital in Government Controlled other Companies

(₹ in crore)



Source: Latest finalised accounts of PSUs and details received from PSUs.

As on 31 March 2022, equity in these government controlled other companies was ₹571.17 crore as against ₹566.87 crore as on 31 March 2021. Thus, the equity in government controlled other companies increased by ₹4.30 crore in 2021-22.

1.2.4 Market capitalisation of equity investment in Government controlled companies.

Market capitalisation represents market value of the shares of companies whose shares are listed. As on 31 March 2022, shares of one Government Controlled other Company was listed on the various stock exchanges in India.

The total market value of shares of the one traded and listed Government Controlled other Company[13] stood at ₹1,163.43 crore (BSE) (equity investment being ₹69.21 crore) as on 31 March 2022 as compared to

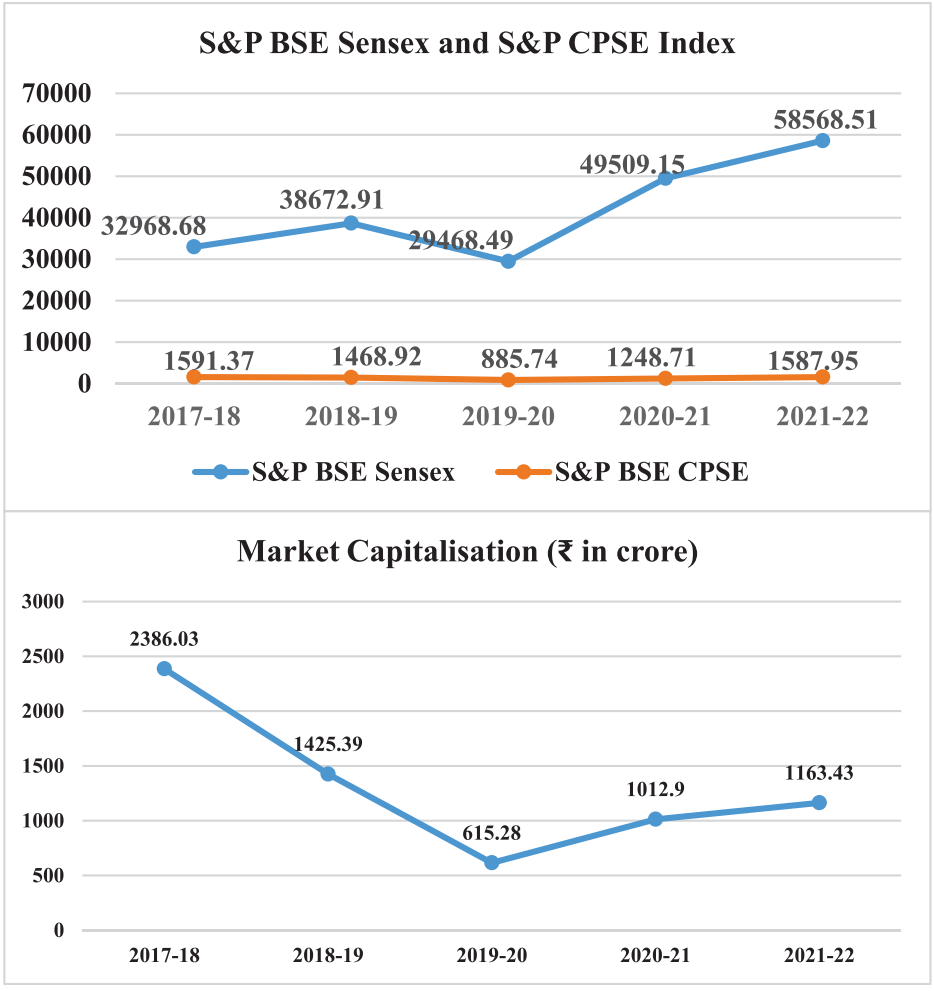
[13] Tamil Nadu Newsprint and Papers Limited.

₹1,012.90 crore as on 31 March 2021. The total market value of shares increased by ₹150.53 crore (14.86 *per cent*) as on 31 March 2022 as compared to 31 March 2021**.** The market value of shares held by the State Government amounted to ₹410.84 crore.

During this period, S&P BSE Sensex[14] increased from 49,509.15 as on 31 March 2021 to 58,568.51 as on 31 March 2022 i.e. 18.30 *per cent*. S&P BSE-CPSE Index[15] increased from 1,248.71 as on 31 March 2021to 1,587.95 as on 31 March 2022 i.e. 27.17 *per cent*.

Trend of market capitalisation of the lone traded and listed Government controlled company for the last five years *vis-a-vis* S&P BSE Sensex and S&P BSE-CPSE Index is depicted in **Chart 1.2.**

Chart 1.2: Trend of market capitalisation *vis*-a-*vis* BSE Sensex and CPSE Index



Source: S&P BSE Sensex, S&P BSE CPSE Index and Annual Reports of Tamil Nadu Newsprint and Papers Limited.

It was observed that the trend of market capitalisation of the traded and listed

[14] S&P BSE SENSEX is calculated on a "Market Capitalization-Weighted" methodology of 30 component stocks representing large, well-established and financially sound companies across key sectors.

[15] S&P BSE CPSE Index consists of major Public Sector Undertakings listed on BSE.

Government controlled PSU decreased during 2018-19 and 2019-20 as compared to 2017-18 whereas S&P BSE Sensex increased during 2018-19 but declined in 2019-20. During 2020-21 and 2021-22 both market capitalization and S&P BSE Sensex showed increasing trend. It was further observed that the trend of S&P CPSE Index and market capitalization was same during all the five years ending 2021-22. Further, in 2021-22, the market value of shares of the PSU increased by 14.86 *per cent* (from ₹1,012.90 crore to ₹1,163.43 crore) while S&P BSE Sensex and S&P CPSE Index also increased by 18.30 *per cent* (from 49,509.15 to 58,568.51) and 27.17 *per cent* (from 1,248.71 to 1,587.95) respectively.

1.3 Returns from PSUs

1.3.1 Profit earned by PSUs

The number of PSUs (including one Statutory Corporation) that earned profit was 34 in 2021-22 as compared to 31 in 2020-21 (three loss making PSUs excluded and six PSUs added). Three[16] PSUs that suffered losses during 2021-22 after earning profit in the previous year mainly due to reduction in operational income and six PSUs ***(*Appendix-V*)*** reported profit after incurring net loss in the previous year which was due to increase in revenue from operations, increase in non-operational income and reduction in operational expenditure.

The profit earned increased to ₹1,648.06 crore in 2021-22 from ₹1,263.65 crore in 2020-21. The Return on Equity (ROE) of the 34 PSUs (including Tamil Nadu Warehousing Corporation) increased marginally to 12.66 *per cent* in 2021-22 as compared to 11.58 *per cent* in 31 PSUs in 2020-21.

The details of top three sectors, which contributed maximum profit during 2021-22 are summarised in **Table 1.9**:

[16] Tamil Nadu Tea Plantation Corporation Limited, Tamil Nadu Salt Corporation Limited and Tamil Nadu Industrial Explosives Limited.

Table 1.9: Top 3 sectors which contributed maximum profit during the year 2021-22

Sector	Sector wise no. of profit earning PSUs	Net profit earned (₹ in crore)	Percentage of profit to total PSU profit
Industries			
Unlisted PSUs (Government Companies)	6[17]	588.73	35.72
Power			
Unlisted PSUs (Government Companies)	1[18]	762.35	46.26
MSME			
Unlisted PSUs (Government Companies)	4[19]	119.74	7.27
Total (A+B+C)	**11**	**1470.82**	**89.25**

Source: Latest finalised Annual Accounts of PSUs.

During 2021-22, net profit of ₹1,470.82 crore constituting 89.25 *per cent* of total profit of PSUs was contributed by 11 PSUs as compared to 83.68 *per cent* contributed by nine PSUs during 2020-21 in these three sectors.

The list of PSUs (Government companies) which earned profit of more than ₹100 crore during the year 2021-22 is given in **Table 1.10**.

Table 1.10: PSUs which earned profit of more than ₹100 crore during 2021-22.

(₹ in crore)

Sl. No.	Name of the PSU	Net Profit
1	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	762.35
2	Tamil Nadu Industrial Development Corporation Limited	252.17
3	State Industries Promotion Corporation of Tamil Nadu Limited	204.08
4	Tamil Nadu Cements Corporation Limited	117.69
Total		**1,336.29**

Source: Latest finalised Annual Accounts of PSUs.

It may be seen that these four PSUs contributed 81.08 *per cent* of the total profit earned by 34 PSUs during 2021-22.

Of the 14 Government Controlled other companies which submitted their accounts for 2021-22 (two[20] Government Controlled other companies whose first accounts were due not considered), nine Government Controlled other companies earned profit of ₹72.97 crore during the year ended 31 March 2022. ROE in these nine PSUs was 2.81 *per cent* in 2021-22 as against the

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17 Tamil Nadu Industrial Development Corporation Limited, State Industries Promotion Corporation of Tamil Nadu Limited, Tamil Nadu Polymer Industries Park Limited, Tamil Nadu Cements Corporation Limited, Tamil Nadu Magnesite Limited and CBIC Ponneri Industrial Township Limited.

18 Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.

19 Tamil Nadu Industrial Investment Corporation Limited, Tamil Nadu Small Industries Development Corporation Limited, Guindy Industrial Estate Infrastructure Upgradation Company and Tamil Nadu Small Industries Corporation Limited.

20 Coimbatore Smart City Limited and Erode Smart City Limited.

ROE of 7.93 *per cent* in seven PSUs in 2020-21. ROE of all the 14 Government Controlled other companies worked out to 1.23 *per cent* in 2021-22.

1.3.2 Loss incurred by PSUs (Government companies and Corporations)

30 out of 68 PSUs incurred losses during the year 2021-22 (including one[21] new PSU which reported loss in its first year of operation). The losses incurred by these PSUs decreased to ₹22,192.94 crore in 2021-22 from ₹25,476.43 crore during 2020-21 as given in **Table 1.11**.

Table 1.11: Number of PSUs that incurred losses during 2021-22

Year	No of PSUs incurred loss	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth[22] (₹ in crore)
2019-20	31	18,629.83	(-)1,41,051.19	(-)84,036.22
2020-21	32	25,476.43	(-)1,64,886.49	(-)1,07,202.99
2021-22	30	22,192.94	(-)1,83,185.55	(-)1,25,443.13

Source: As per finalised Accounts of PSUs for 2021-22.

Out of total loss of ₹22,192.94 crore incurred by 30 PSUs, loss of ₹15,357.90 crore was contributed by three PSUs in Power sector and ₹6,622.19 crore by eight PSUs in Transport sector. PSUs listed in **Table 1.12** incurred a loss of more than ₹100 crore during the year 2021-22.

Table 1.12: PSUs that incurred losses of more than ₹100 crore during 2021-22.

(₹ in crore)

Sl. No.	Name of the PSUs	Net loss
1	Tamil Nadu Generation and Distribution Corporation Limited	11,954.64
2	Tamil Nadu Transmission Corporation Limited	3,402.27
3	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	1,026.75
4	Tamil Nadu State Transport Corporation (Coimbatore) Limited	997.23
5	Tamil Nadu State Transport Corporation (Villupuram) Limited	960.26
6	Metropolitan Transport Corporation Limited	928.33
7	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	853.47
8	Tamil Nadu State Transport Corporation (Madurai) Limited	777.82
9	Tamil Nadu State Transport Corporation (Salem) Limited	589.29
10	State Express Transport Corporation Limited	489.04

Source: As per Financial Statements of respective PSUs for 2021-22.

Of the 14 Government Controlled other companies which submitted their accounts for 2021-22 (two[23] Government Controlled other companies whose

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21 Tamil Nadu Centre of Excellence for Advanced Manufacturing.

22 Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

23 Coimbatore Smart City Limited and Erode Smart City Limited.

first accounts were due not considered), four[24] Government Controlled other companies incurred losses of ₹39.39 crore while one[25] PSU reported no profit/loss during the year 2021-22.

1.3.3 Erosion of capital in PSUs (Government Companies)

As on 31 March 2022, there were 31 PSUs with accumulated losses of ₹1,83,261.47 crore. Of the 31 PSUs, 25 PSUs incurred losses in the year 2021-22 amounting to ₹22,036.90 crore and one PSU (Adyar Poonga) reported zero profit as its loss of ₹3.01 lakh had been compensated by State Government Grant even though it had accumulated loss of ₹0.08 crore.

Net worth of 22 out of 31 PSUs had been completely eroded by accumulated loss and their net worth was negative. The net worth of these 22 PSUs was (-) ₹1,50,873.40 crore against equity investment of ₹32,208.85 crore in these PSUs as on 31 March 2022. Out of the 22 PSUs, whose capital had been eroded (being negative net worth), 21 PSUs had reported loss of ₹22,175.20 crore during 2021-22 **(Appendix-VI)**.

Out of these 22 PSUs, the net worth of 15 PSUs was negative in last five years ending 2021-22. The net worth of two PSUs[26] was negative during last four years, three PSUs[27] was negative during last three years, two PSUs[28] was negative during the last two years ending 2021-22.

22 PSUs whose net worth was eroded included two Power Sector PSUs and 20 Non-Power Sector PSUs. The two Power Sector PSUs incurred operational expenditure of ₹89,195.41 crore and 20 Non-Power Sector PSUs incurred operational expenditure of ₹40,186.23 crore during 2021-22. It is pertinent to mention that the State Government had extended budgetary support in the form of grant/ subsidies amounting to ₹11,281.68 crore to one Power Sector PSU (Tamil Nadu Generation and Distribution Corporation Limited) and ₹2,348.68 crore to eight Non-power sector PSUs during 2021-22.

In 13 out of 22 PSUs whose capital had been eroded, Government loans outstanding as on 31 March 2022 amounted to ₹8,994.26 crore.

Net worth was less than half of their paid up capital in respect of 3 out of 46 PSUs whose net worth was positive at the end of 31 March 2022, indicating their potential financial sickness.

In the overall, net worth of all the 68 PSUs (Government companies and corporations) was negative at ₹1,11,923.89 crore against their paid up capital of ₹64,712.58 crore.

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[24] Tamil Nadu Infrastructure Fund Management Corporation Limited, IT Expressway, Tidel Neo Limited and Tamil Nadu Wilderness Experiences Corporation Private Limited.

[25] Tiruchirapalli Smart City Limited.

[26] Tamil Nadu Sustainable Industrial Water Corporation Limited and Tamil Nadu Minerals Limited.

[27] Tamil Nadu Sugar Corporation Limited, Arasu Cable TV Corporation Limited and Tamil Nadu Transmission Corporation Limited.

[28] Chennai Industrial Water Utility Company Limited and Chennai Aerospace Park Limited.

It may be mentioned that the CAG had conducted a Compliance Audit on Loss incurring four Agro-based PSUs of Tamil Nadu for the period 2016-21 (Report No. 9 of the year 2022) which highlighted that the total investment of the Government was ₹ 284.28 crore completely eroded by their accumulated losses of ₹ 803.24 crore as on 31 March 2021. There was a continuous deterioration of financial position of these PSUs and urgent intervention of the Government was required to improve their financial and operational performance.

It may be pertinent to mention that the Government needs to analyse the business model as well the repaying capacity of the PSUs before undertaking their revival/rejuvenation. In this regard it may be mentioned that in the Performance of Tamil Nadu Generation and Distribution Corporation Limited during pre and post Ujwal DISCOM Assurance Yojana (Report No.7 of 2021), it was highlighted that despite partial takeover of debts and taking over of losses (in a phased manner from 2017-18 to 2020-21), the envisaged operational and financial turnaround of the PSU could not be achieved and it continued to be in losses thus straining the public exchequer.

1.3.4 Dividend payout by PSUs

The details of profit earned and dividend declared/paid by PSUs (Government companies and corporations) is given in the **Table 1.13**:

Table 1.13: Profit earned and dividend declared

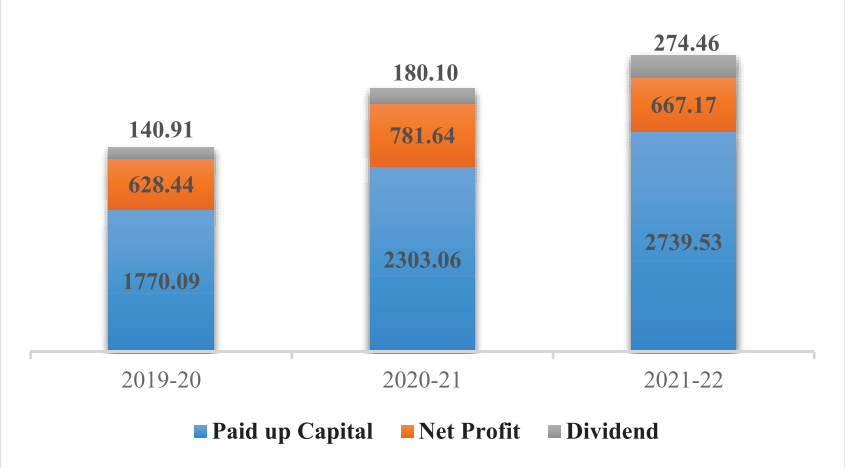
Category	No. of PSUs	Paid up capital (₹ in crore)	Net profit (₹ in crore)	Dividend declared/ paid (₹ in crore)
Statutory Corporations	1	7.61	22.24	6.67
Unlisted Companies	12	2,731.92	644.93	267.79
Total	**13**	**2,739.53**	**667.17**	**274.46**

Source: As per Financial Statements of PSUs.

Out of 68 PSUs (67 Government companies and one Corporation), 13 PSUs declared/paid dividend of ₹274.46 crore in 2021-22 as compared to dividend of ₹180.10 crore declared by 13 PSUs in 2020-21. The dividend declared as a percentage of net profit of these 13 PSUs increased to 41.14 *per cent* in 2021-22 from 23.04 *per cent* in 2020-21. In absolute terms, the dividend declared by the PSUs in 2021-22 increased by ₹94.36 crore compared to previous year. **Chart 1.3** depicts the dividend declared *vis-a-vis* net profit earned and paid up capital of PSUs which declared dividend during the last three years.

Chart 1.3: Dividend declared *vis-a-vis* net profit earned and paid up capital

(₹ in crore)



Source: As per latest finalised Accounts of PSUs.

Out of total dividend of ₹274.46 crore declared by 13 PSUs for the year 2021-22, the share of dividend received/receivable by State Government was ₹267.80 crore (97.57 *per cent* of total dividend declared) against the equity investment of ₹2,598.55 crore. The return in the form of dividend on aggregate investment of ₹39,233 crore made by the State Government in equity capital of 68 PSUs was 0.68 *per cent* as compared to 0.46 *per cent* during 2020-21. Similarly, State Government received ₹7.33 crore on the paid up capital of ₹24.44 crore contributed by it in one[29] listed Government Controlled Company. One Government Controlled PSU[30] declared dividend of ₹8.80 crore in 2021-22, out of which the share of dividend to PSUs[31] was ₹2.79 crore on the paid up capital of ₹13.95 crore invested by these PSUs. Two PSUs[32] under the Department of Industries, declared dividend amounting to ₹219.58 crore which was 80 *per cent* of the total dividend of ₹274.46 crore declared by 13 PSUs in 2021-22.

As per the dividend policy formulated (May 2014) by the State Government all PSUs were required to pay a minimum return of 30 *per cent* of net profit after tax or 30 *per cent* of the paid up share capital, whichever was higher, subject to availability of disposable profit. However, 18 PSUs had not declared dividend or lesser than the amount prescribed by the Government as given in **Appendix-VII**. The total shortfall on this account was ₹318.28 crore in 2021-22.

Of the 14 Government Controlled other Companies which submitted their accounts for 2021-22, nine earned profit of ₹72.97 crore during the year ended 31 March 2022. Out of these nine PSUs, only two PSUs declared a dividend of ₹29.56 crore which represented 6.02 *per cent* of the paid up capital of ₹490.72 crore of nine PSUs. Sector wise classification of two Government Controlled

29 Tamil Nadu Newsprint and Papers Limited.

30 TIDEL Park Limited.

31 Tamil Nadu Industrial Development Corporation Limited and Electronics Corporation of Tamil Nadu Limited.

32 Tamil Nadu Industrial Development Corporation Limited and State Industries Promotion Corporation of Tamil Nadu Limited.

other Companies which declared dividend during 2021-22 is given in **Table 1.14**.

Table 1.14: Dividend declared by Government Controlled other Companies

(₹ in crore)

Sector	No. of PSUs	Paid up capital	Net profit	Dividend declared
Paper Manufacture	1	69.21	14.33	20.76
Information Technology	1	44.00	47.22	8.80
Total	**2**	**113.21**	**61.55**	**29.56**

Source: As per latest Financial Statements of PSUs.

1.4 Operating efficiency of PSUs (Government companies and Corporations)

1.4.1 Value of production

The summary[33] indicating value of production, total assets and sum of capital employed in respect of Monopoly[34] and Non-monopoly PSUs over a period of three years is given in the **Table 1.15.**

Table 1.15: Value of Production, Assets & Capital Employed of Monopoly vs. Non-monopoly PSUs

(₹ in crore)

Type /Year	Number of PSUs	Value of Production	Total Assets	Sum of Capital Employed[35]
Monopoly PSUs				
2019-20	17	27,619.07	64,780.40	23,025.04
2020-21	17	28,922.93	73,313.79	21,289.30
2021-22	18	30,323.23	74,913.37	21,899.73
Non-Monopoly PSUs				
2019-20	46	72,027.38	2,25,137.97	46,776.36
2020-21	50	65,289.69	2,61,876.29	42,832.25
2021-22	50	76,660.58	2,76,087.66	46,003.59
Total				
2019-20	63	99,646.45	2,89,918.38	69,801.40
2020-21	67	94,212.62	3,35,190.08	64,121.55
2021-22	68	1,06,983.81	3,51,001.03	67,903.32

Source: As per the latest financial statements of PSUs and details received from PSUs.

During the year 2020-21, the value of production had decreased to ₹94,212.62 crore as compared to ₹99,646.45 crore during 2019-20 which was due to pandemic restrictions and increased to ₹1,06,983.81 crore in 2021-22. Total assets showed an increasing trend in all the three years. The capital employed increased to ₹67,903.32 crore in 2021-22 as compared to ₹64,121.55 crore in 2020-21. PSU wise details of value of production, total assets and capital

33 The value of production, total assets and capital employed have been compiled from the latest financial statements of the PSUs.

34 Monopoly means a market structure characterized by a single seller, selling a unique product in the market. In a monopoly market, the seller faces no competition, as he is the sole seller of goods with no close substitute. A PSU is classified as monopoly if there is no competition in the geographical area in which it operates.

35 Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure.

employed is given in **Appendix-VIII**.

1.4.2 Return on Capital Employed (ROCE)

ROCE is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed. The PSU wise details of ROCE are given in **Appendix-IX**. The consolidated ROCE of PSUs (Government companies and corporations) during the period from 2019-20 to 2021-22 is given in **Table 1.16.**

Table 1.16: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2019-20	-878.15	69,801.40	-1.26
2020-21	-4,923.80	64,121.55	-7.68
2021-22	-3,659.14	67,903.32	-5.39

Source: As per the latest finalised accounts of PSUs for respective years.

It was observed that total EBIT of PSUs (Government companies and corporations) was negative in all the three years and hence, ROCE was also negative in all the three years.

ROCE in respect of Monopoly and Non-monopoly PSUs are given in **Table 1.17.**

Table 1.17: ROCE of Monopoly vs. Non-monopoly PSUs

Year	Monopoly				Non-monopoly			
	No. of PSUs	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	No. of PSUs	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)
2019-20	17	1,105.61	23,025.04	4.80	46	-1,983.76	46,776.36	-4.24
2020-21	17	-1,289.35	21,289.30	-6.06	50	-3,634.45	42,832.25	-8.49
2021-22	18	-1,208.54	21,899.73	-5.52	50	-2,450.60	46,003.59	-5.33

Source: As per latest finalised accounts of PSUs for respective years.

From the table above, it is evident that the ROCE of PSUs under Monopoly Sector was positive during 2019-20 but turned negative from 2020-21 mainly due to EBIT turning negative in respect of one Power Sector PSU (TANTRANSCO). However, the ROCE of Non-Monopoly sector PSUs was negative in all the three years.

1.4.3 Return on Equity (ROE) of PSUs

ROE[36] is a measure of financial performance of companies calculated by dividing net income by shareholders' equity. The PSU wise details of ROE are given in **Appendix-X**. The consolidated ROE of PSUs (Government companies and corporations) during the period from 2019-20 to 2021-22 is given in **Table 1.18**.

[36] Return on Equity = (Net Profit after Tax and preference Dividend/Equity)*100 where Equity = Paid up Capital + Free Reserves – Accumulated Loss – Deferred Revenue Expenditure.

Table 1.18: Return on Equity

Year	Net Profit after Tax and Preference Dividend (₹ in crore)	Equity (₹ in crore)	ROE (in percentage)
2019-20	-17,424.27	-73,714.81	--
2020-21	-24,213.26	-96,153.17	--
2021-22	-20,544.88	-1,11,923.89	--

Source: As per latest finalised accounts of PSUs for respective years.

It was observed from the table above, during the three years ending 2021-22, both the net profit after tax and the equity of PSUs were negative and hence, the ROE was not worked out. Negative equity indicated that the liabilities of these PSUs had exceeded the assets.

ROE in respect of Monopoly and Non-monopoly PSUs are given in **Table 1.19**

Table 1.19: ROE of Monopoly Vs. Non-monopoly PSUs

Year	Monopoly				Non-monopoly			
	No. of PSUs	Equity	Net Profit after Tax	ROE (in *per cent*)	No. of PSUs	Equity	Net Profit after Tax	ROE (in *per cent*)
		(₹ in crore)				(₹ in crore)		
2019-20	17	413.84	-1,068.20	--	46	-74,128.65	-16,356.07	--
2020-21	17	-2,680.84	-3,519.51	--	50	-93,472.33	-20,693.75	--
2021-22	18	-2,676.64	-3,426.60	--	50	-1,09,247.25	-17,118.28	--

Source: As per latest finalised accounts of PSUs for respective years.

It could be seen that in respect of monopoly PSUs, the Equity was positive during 2019-20 but became negative during 2020-21 mainly due to huge loss incurred by TANTRANSCO, whereas the net profit after tax was negative in all the three years. In respect of non-monopoly PSUs both the net profit after tax and the Equity were negative in all the three years ending 2021-22.

Sector wise ROE of PSUs where sector wise total equity of the PSUs is more than ₹100 crore during the three years ending 2021-22 is depicted in **Table 1.20.**

Table 1.20: ROE of sectors with total equity of ₹100 crore and more

(in percentage)

Sl. No.	Sector	ROE during 2019-20	ROE during 2020-21	ROE during 2021-22
1	Power	--	--	--
2	Transport	--	--	--
3	Finance	2.40	3.94	4.22
4	Manufacturing	--	--	--
5	Infrastructure	18.18	20.69	15.12
6	Social	7.08	3.86	3.56

Source: As per latest finalised accounts of PSUs for respective years.

Sector wise analysis indicated that the PSUs in Finance, Infrastructure and Social sector reported positive ROE in all the three years.

1.4.4 Rate of Real Return on Government Investment (RORR)

RORR measures the profitability and efficiency with which equity and similar non-interest bearing capitals have been employed, after adjusting them for their time value and assumes significance when compared with the conventional Rate of Return (ROR), which is calculated by dividing the Profit After Tax (PAT) by the sum of all such investments counted on historical cost basis.

Out of total 86 PSUs in the State, the State Government had direct investment in 75[37] PSUs. Audit examined the RORR in respect of these PSUs.

The RORR of the State Government investment in these PSUs was computed on the basis of following assumptions:

- In addition to actual infusion by the State Government in the PSUs in the form of equity, interest free loans given by the State Government to the PSUs for operational and administrative expenses have been considered as investment infusion by the State Government. In cases where interest free loans have been repaid by the PSUs, the same has been reduced from the value of investments from the relevant years. The funds made available in the form of grants/subsidy have not been reckoned as investment since they do not qualify to be considered as investments.
- The average interest rate on State Government securities for the concerned financial year[38] was adopted as compounded rate for arriving at Present Value (PV) since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.
- For the purpose of RORR calculation, the investment of State Government in these PSUs has been arrived at by considering the equity (initial equity, net of accumulated losses up to 2009-10 plus the equity infused during the subsequent years), adding interest free loan. The dividend paid by the PSUs has been deducted from the total investment in the respective years.

The year wise details of investment by the State Government and Rate of Real Return of Government funds from 2009-10 to 2021-22 is given in the **Table 1.21** below:

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[37] Though TANGEDCO and TANTRANSCO are subsidiaries of TNEB Limited, considering the significant investment by the State Government, these PSUs are included for calculation of present value of investments of the State Government. Accordingly, the total investments and the aggregate of the profit/loss of all these two power sector undertakings are considered to assess the overall results on the total funds invested.

[38] The average rate of interest on Government borrowings was adopted from the Reports of CAG of India on State Finance Audit Reports (GOTN) for the concerned years wherein the calculation of the average rate of interest paid = Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

Table 1.21: Year wise details of investment by the State Government and RORR of Government funds from 2009-10 to 2021-22

(₹ in crore)

Financial year	Present value of total investment of State Governmentat the beginning of the year	Equity infused by the State Government during the year	Net Interest free loan given by the State Government during the year	Interest free loan converted into Equity during the year	Total investment during the year	Dividend paid by PSUs during the year	Total investment at the end of the year after deducting dividend	Average interest rate of Government borrowings	Interest Value	Present value of total investment at the end ofthe year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	RORR (in percentage)
1	2	3	4	5	6= (3) + (4)	7	8 =(2)+ (6) – (7)	9	10 =(8) * (9) /100	11 =(8) +(10)	12 = 11 * 9/100	13	14 = (13) /(11) * 100
2009-10	-	832.25	57.87	-	890.12	69.65	820.47	7.29	59.81	880.28	64.17	-	-
2010-11	880.28	2,284.52	61.62	-	2,346.14	65.80	3,160.62	7.53	237.99	3,398.62	255.92	-11,352.19	-334.02
2011-12	3,398.62	2,466.91	2,005.16	-	4,472.07	35.11	7,835.58	7.43	582.18	8,417.76	625.44	-14,049.96	-166.91
2012-13	8,417.76	2,151.59	921.16	-	3,072.75	74.51	11,416.00	7.43	848.21	12,264.21	911.23	-13,657.56	-111.36
2013-14	12,264.21	2,397.71	1,008.69	-	3,406.40	133.81	15,536.80	7.90	1,227.41	16,764.21	1,324.37	-12,410.64	-74.03
2014-15	16,764.21	4,635.82	1,009.24	-	5,645.06	162.02	22,247.25	8.12	1,806.48	24,053.72	1,953.16	-15,066.97	-62.64
2015-16	24,053.72	2,998.10	64.14	-	3,062.24	138.06	26,977.90	8.38	2,260.75	29,238.65	2,450.20	-8,075.36	-27.62
2016-17	29,238.65	4,772.47	22,958.24	-	27,730.71	239.74	56,729.62	8.11	4,600.77	61,330.39	4,973.89	-7,030.59	-11.46
2017-18	61,330.39	4,998.74	171.20	-	5,169.94	166.77	66,333.56	8.53	5,658.25	71,991.82	6,140.90	-17,449.18	-24.24
2018-19	71,991.82	2,907.84	1,578.20	-	4,486.04	167.24	76,310.62	8.27	6,310.89	82,621.50	6,832.80	-16,965.84	-20.53
2019-20	82,621.50	3,069.63	10,456.64	-	13,526.27	140.91	96,006.86	8.07	7,747.75	1,03,754.62	8,373.00	-17,424.27	-16.79
2020-21	103754.62	1,076.18	0.00	-	1,076.18	189.93	1,04,640.87	7.74	8,099.20	1,12,740.07	8,726.08	-24,137.74	-21.41
2021-22	1,12,740.07	1,279.63	0.00	-	1,279.63	275.13	1,13,744.57	7.50	8,530.84	1,22,275.42	9,170.66	-20,511.30	-16.78
Total		**35,871.39**	**40,292.16**		**76,163.55**	**1,858.68**	**6,01,760.72**				**51,801.82**		

Source: As per details received from PSUs and latest finalised accounts of PSUs for respective years.

During 2010-11 to 2021-22 the total earnings were negative in all the years and thus, the RORR were also negative. The actual total earnings of all the PSUs were below the minimum expected return to recover the cost of funds infused in these PSUs. During 2021-22, the PSUs reported a total loss of ₹20,511.30 crore against the minimum expected return of ₹9,170.66 crore. Out of the total loss, bulk of the loss has been contributed by TANGEDCO: ₹11,954.64 crore and TANTRANSCO: ₹3,402.27 crore during 2021-22.

1.4.5 Sales and Marketing

During 2021-22, the total sales of 68 PSUs decreased to ₹94,660.89 crore as compared to ₹93,347.29 crore in 67 PSUs during 2020-21. Out of 68 PSUs, 23 PSUs sold goods/rendered services worth ₹9,595.04 crore to Government sector representing 10.14 *per cent* of the total sales during 2021-22.

The details of total sales, sales to Government sector/PSUs and export sales in respect of monopoly and non-monopoly PSUs are given in **Table 1.22.**

Table 1.22: Sales details of Monopoly *vs*. Non-monopoly PSUs

(₹ in crore)

Year/Type	Total Sales		Sales to Government/PSUs			Export Sales
	No. of PSUs	Sales Value	No. of PSUs	Sales Value	Percentage of sales to Government/ PSUs	
Monopoly PSUs						
2019-20	17	27,619.07	3	2,369.54	8.58	0.00
2020-21	17	28,052.31	5	2,341.94	8.35	0.00
2021-22	18	29,887.44	6	2,357.80	7.89	0.00
Non-monopoly PSUs						
2019-20	46	72,027.38	14	4,921.54	6.83	1.11
2020-21	50	65,294.98	19	5,400.83	8.27	14.32
2021-22	50	64,773.45	17	7,237.24	11.18	17.07
Total of monopoly and non-monopoly PSUs.						
2019-20	63	99,646.45	17	7,291.08	7.32	1.11
2020-21	67	93,347.29	24	7,742.77	8.29	14.32
2021-22	68	94,660.89	23	9595.04	10.14	17.07

Source: As per latest finalised accounts of PSUs and details received from PSUs.

Against the total sales of ₹94,660.89 crore by 68 PSUs, three PSUs (Tamil Nadu Handicrafts Development Corporation Limited, Tamil Nadu Minerals Limited and Tamil Nadu Magnesites Limited) had made export sales of ₹17.07 crore during 2021-22.

1.5 Disinvestment

No disinvestment of PSUs had taken place during 2020-21 and 2021-22.

1.6 Conclusion

This chapter presented the financial performance of Public Sector Undertakings as regards the amount of investment made by the Government in the form of equity and long-term loans. The financial performance was measured by ratios indicating their operating efficiency and return on investment. Analysis revealed that 31 out of 68 working PSUs had an aggregate accumulated losses of ₹1,83,261.47 crore and of these 68 PSUs, the net worth of 22 PSUs had been completely eroded by accumulated loss and their net worth was negative. The net worth of these 22 PSUs was (-) ₹1,50,873.40 crore against equity investment of ₹32,208.85 crore. Return on Equity in all the 68 PSUs *i.e.,* including 34 profit earning, 30 loss making and four zero profit/loss PSUs were negative as the overall net income of these PSUs was negative during 2021-22. In 22 out of 68 State PSUs, differences between figures as per Finance accounts and figures as per records of PSUs occurred.

1.7 Recommendations

1. *Out of the 86 PSUs, 84 PSUs are functional and two are non-functional. These PSUs are either defunct or at various stages of liquidation. One PSU is defunct and one PSU is under liquidation by the court. It is recommended that the Government must expedite the process of winding*

up by vigorously pursuing the process of voluntary winding up under the Companies Act.

2. *There is a difference of ₹472.06 crore in equity between the records of PSUs and the Finance Accounts of Government of Tamil Nadu. The State Government and the respective PSUs should reconcile the differences in a time-bound manner.*
3. *Government may set up an expert committee to identify and fix the operational inefficiencies and prepare a time bound action plan to revive the loss making PSUs. Also, the business models of the loss making PSUs need to be analysed in order to address the root cause of the losses. In case the business model is not sustainable then the Government should close the PSUs to avoid further straining of the public exchequer.*
4. *Since the audit of loss making and net worth eroded PSUs was carried out in four PSUs and specific study was conducted on TANGEDCO, the Government should undertake similar reviews to evaluate the under-performance in the remaining PSUs and take suitable steps for mitigating the persistent losses being incurred by the PSUs.*
5. *Financial turnaround of the PSUs should be envisaged only after evaluating their repayment capacity.*
6. *The functioning of the PSUs whose net worth was negative may be reviewed and decision may be taken by the State Government either for their revival or discontinuance.*
7. *The State Government should ensure strict compliance of its policy on declaration of dividend by the profit making PSUs.*

CHAPTER II

CHAPTER II

Oversight Role of CAG

2.1 Audit of Public Sector Undertakings

CAG appoints the statutory auditors of PSUs under Section 139 (5) and (7) of the Companies Act, 2013. CAG has the right to conduct supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. The statutes governing some corporations require that their accounts be audited by the CAG and a report be submitted to the State legislature.

2.2 Appointment of statutory auditors of Public Sector Undertakings by CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a PSU are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

Statutory auditors of PSUs for the year 2021-22 were appointed during August 2021.

The statutory auditors of such PSUs for the year 2021-22 were appointed by the CAG during August 2021.

2.3 Submission of accounts by PSUs

2.3.1 Need for timely submission

According to Section 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a PSU is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report must be laid before the State Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the Act regulating the statutory corporation. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the PSUs from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. The Section further provides that in case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the Company and in any other case, within a period of six months, from the date of closing of the financial year. The Section also stipulates that the Registrar of Companies may, for any special reason, extend the time within which any AGM, other than the first AGM, shall be held, by a period not exceeding three months.

Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration. The Section also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite the above, annual accounts of 13 PSUs were pending as on 31 December 2022, as detailed in the following paragraph.

2.3.2 Timeliness in preparation of accounts by PSUs

As of 31 March 2022, there were 69 Government Companies and 16 Government Controlled Other Companies under the purview of CAG's audit as compared to 71 Government Companies and nine Government Controlled Other Companies as on 31 March 2021. The accounts for the year 2021-22 were due from all these PSUs. A total of 58[39] Government Companies (including one[40] defunct Company) and 14 Government Controlled Other Companies submitted their accounts for 2021-22 and one[41] Government Company submitted its arrear accounts (2020-21) for audit by CAG. Accounts of 11 Government Companies and two Government Controlled Other Companies were in arrears for various reasons. Details of arrears in submission of accounts of PSUs are given in **Table 2.1** below:

Out of 85 PSUs, accounts of 13 PSUs were in arrears

[39] The certification of accounts of Arasu Cable TV Corporation Limited, Tiruchirapalli Smart City Limited, Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited and Tamil Nadu Corporation for Development of Women Limited are under process.

[40] Tamil Nadu State Construction Corporation Limited.

[41] Tamil Nadu Backward Classes Economic Development Corporation Limited.

Table: 2.1: Details showing the arrears in submission of accounts

Particulars		Government Companies/Government Controlled Other Companies					
		Government Companies		Government Controlled Other Companies		Total	
Total number of PSUs under the purview of CAG's audit as on 31.03.2022		69		16		85	
		Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
Listed/Unlisted		0	69	1[42]	15	1	84
Less: New PSUs from which accounts for 2021-22 were not due		0	0	0	0	0	0
Number of PSUs from which accounts for 2021-22 were due		0	69	1	15	1	84
Number of PSUs which presented the accounts for 2021-22 for CAG's audit (including one defunct PSU)		0	58	1	13	1	71
Number of PSUs having arrear in accounts		0	11	0	2	0	13
Break- up of Arrears	(i) Under Liquidation	0	1	0	0	0	1
	(ii) Defunct[43]	0	0	0	0	0	0
	(iii) Others (Working PSUs)	0	10	0	2	0	12
Age–wise analysis of arrears against 'Others' category	One year (2021-22)	0	6	0	2	0	8
	Two years (2020-21 and 2021-22)	0	4	0	0	0	4
	Three years and more	0	0	0	0	0	0

Source: As per latest finalised accounts received from PSUs.

The names of these PSUs are indicated in **Appendix XI**.

2.3.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of the lone statutory corporation *viz*., Tamil Nadu Warehousing Corporation is conducted by Chartered Accountants and supplementary audit by the CAG in pursuance of the State Warehousing Corporations Act, 1962. The Corporation submitted its accounts for the year 2021-22 for audit by CAG.

2.4 CAG's oversight – Audit of accounts and supplementary audit

2.4.1 Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The

42 Tamil Nadu Newsprint and Papers Limited.

43 Defunct companies are those which have not been carrying on any business or operation and defined as "inactive company" under Section 455 of the Companies Act, 2013.

statutory corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

2.4.2 Audit of accounts of PSUs by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the PSUs and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013 and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

2.4.3 Supplementary Audit of accounts of PSUs

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act,2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected[44] PSUs along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

[44] The accounts of the PSUs were selected for supplementary audit annually, triennially and once in five years based on Paid up capital, Capital employed and Turnover criteria.

2.5 Result of CAG's oversight role

2.5.1 Audit of accounts of PSUs

CAG reviewed accounts of 46 PSUs and one statutory corporation for the year 2021-22.

Financial statements for the year 2021-22 were received from 58 Government Companies and 14 Government Controlled Other Companies (including one listed company) and one statutory corporation. Further, one[45] Government Company also submitted its financial statements for the year 2020-21 for audit by CAG.

Table 2.2: Details of financial statements submitted by PSUs for audit by CAG

Type of PSUs	Accounts for the year 2020-21	Accounts for the year 2021-22
Government Companies	61	58
Government Controlled Other Companies	9	14
Statutory Corporation	1	1
Arrear accounts of Government Companies	9	1

Of the above, based on selection criteria accounts of 34 Government Companies and 12 Government Controlled Other Companies and one Statutory Corporation were selected during 2021-22 and accounts of 43 Government Companies and six Government Controlled Other Companies and one Statutory Corporation were selected during 2020-21 for Supplementary Audit by the CAG. 26 PSUs and 28 PSUs were not taken up for supplementary audit based on the selection criteria during 2021-22 and 2020-21 respectively.

The results of the review are detailed below:

2.5.1.1 Amendment of Financial Statement

As a result of supplementary audit of the financial statements conducted by the CAG, four Government Companies and one Government Controlled Company amended their Financial Statements for the year ended 31 March 2022 (**Appendix XII-A)** and five Government Companies and two Government Controlled Companies amended their Financial Statements for year ended 31 March 2021 (**Appendix XII-B**) before laying the same in the AGM.

2.5.1.2 Revision of Auditors Report

As a result of supplementary audit of the financial statements conducted by the CAG, the statutory auditors of 19 Government Companies and three Government Controlled Companies as detailed in **Appendix XIII-A** revised their report for the year 2021-22 and the statutory auditors of 15 Government Companies and one Government Controlled Company as detailed in **Appendix XIII-B** revised their report for the year 2020-21 before laying of the Financial Statements of these PSUs in their AGM.

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[45] Tamil Nadu Backward Classes Economic Development Corporation Limited.

2.5.1.3 Significant comments of the CAG issued as supplement to the statutory auditors' reports on PSUs

Subsequent to the audit of the financial statements for the years 2020-21 and 2021-22 by statutory auditors, the CAG conducted supplementary audit of the financial statements of the selected PSUs. Based on the supplementary audit, comments were issued on the financial statements of Tamil Nadu Generation and Distribution Corporation Limited, Tamil Nadu Transmission Corporation Limited and Tamil Nadu Adi-dravidar Housing and Development Corporation Limited. The financial impact of the comments issued on the financial statements of the above PSUs on the profitability amounted to ₹2,881.34 crore for 2020-21 and ₹2,286.09 crore for 2021-22. Some of the significant comments issued have been furnished in **Appendix XIV.**

2.6 Oversight role of CAG in respect of compliance matters

Apart from the supplementary audit, CAG conducts compliance audit and performance audits for ensuring economy, efficiency and effectiveness of utilisation of Government finance. A few instances of the findings of CAG on compliance audit for the year 2020-21 are given in the **Table 2.3** below:

Table 2.3: Gist of important observations on compliance audit by CAG

Name of the PSU	Gist of observations
Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).	TANGEDCO failed to terminate the Power Purchase Agreement which had resulted in avoidable payment to the tune of ₹453.04 crore and an additional liability of ₹360.20 crore.
Tamil Nadu Generation and Distribution Corporation Limited.	TANGEDCO did not levy liquidated damages for delayed commissioning of solar power plant resulting in undue favour to a solar power generator to the extent of ₹68.65 crore.
Tamil Nadu Generation and Distribution Corporation Limited.	Failure of TANGEDCO to levy cross-subsidy charges on Captive Generating Plants for non-fulfilment of the conditions prescribed under Electricity Rules, 2005 resulted in loss of revenue to TANGEDCO amounting to ₹82.80 crore.
Tamil Nadu Arasu Cable TV Corporation Limited.	Absence of agreement and non-traceable LCOs led to non-realisation of dues of ₹226.28 crore.

2.7 Non-compliance with provisions of Accounting Standards/ Ind AS

In exercise of the powers conferred by Section 469 of the Companies Act, 2013 read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards 1 to 7 and 9 to 29. Besides these, the Central Government notified 39 Indian Accounting Standards (Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The statutory auditors reported that 17 PSUs during the year 2020-21 and 11 PSUs during the year 2021-22 did not comply with mandatory Accounting Standards/Ind AS as detailed in **Appendix-XV-A** and **Appendix-XV-B.**

2.8 Management Letters

One of the objectives of financial audit is to establish communication on matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of PSUs were reported as comments by the CAG under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the Financial Statements or in the reporting process were also communicated to the Management of the PSUs / Administrative department of the Government through a 'Management Letter' for taking corrective action. During the year, CAG issued 'Management Letters' to 21 PSUs / Administrative departments of the PSUs **(Appendix-XVI).**

The deficiencies generally related to:

- The failure of the management to take corrective action on the repeated qualifications of statutory auditors,
- non-compliance to Government instructions on accounting of income from investment of unspent Government grants,
- application and interpretation of accounting policies and practices,
- adjustments arising out of audit that could have a significant effect on the financial statements and
- inadequate or non-disclosure of certain information on which management of the concerned PSU gave assurances that corrective action would be taken in the subsequent year.

2.9 Conclusion

This chapter dealt with the oversight role of CAG with respect to compliance matters of various criteria and preparation and submission of financial statements by Public Sector Undertakings. Analysis revealed that out of 84 PSUs, a total of 13 PSUs (one under liquidation) did not submit their accounts for audit to the CAG. Eight related to the financial year 2021-22 and four belonged to 2020-21. The statutory auditors reported that 17 PSUs during the year 2020-21 and 11 PSUs during the year 2021-22 did not comply with mandatory Accounting Standards/Ind AS.

2.10 Recommendations

1. *For delay in submission of accounts, Government must fix responsibility on the concerned CEOs/CMDs/CFOs and timely submission of accounts as a criterion needs to be fixed for further extension of tenure or for fresh appointment of CEOs in another PSU.*
2. *Government should also contemplate the application of the provision of section 129 (7) of the Companies Act which requires fines and/or imprisonment for non-preparation of accounts timely.*
3. *Government should ensure that the PSUs prepare their accounts in compliance with the mandatory AS/Ind AS.*

CHAPTER III

CHAPTER III

Corporate Governance

3.1 Introduction

3.1.1 Provisions as contained in the Companies Act, 2013

The Companies Act, 2013 was enacted on 29 August 2013 replacing the Companies Act, 1956. In addition, the Ministry of Corporate Affairs had also notified (31 March 2014) Companies Rules, 2014 on Management and Administration, Appointment and Qualification of Directors, Meetings of Board and its powers and Accounts. The Companies Act, 2013 together with the Companies Rules provide a robust framework for corporate governance. The requirements, *inter alia* provide for:

- Qualifications for Independent Directors along with the duties and guidelines for professional conduct (Sections 149 (6) & (8) and Schedule IV read with Rule 5 of the Companies (Appointment and Qualification of Directors), Rules, 2014).
- Mandatory appointment of one woman director on the board of listed companies [Section 149(1)] and such other class of companies as per Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- Mandatory establishment of certain committees like Corporate Social Responsibility Committee[46] [Section (135)], Audit Committee [Section 177(1)], Nomination and Remuneration Committee [Section 178(1)] and Stakeholders Relationship Committee [Section 178(5)].
- Holding of a minimum of four meetings of Board of Directors every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board [Section 173(1)].

3.1.2 SEBI guidelines on Corporate Governance

Subsequent to the enactment of Companies Act, 2013, Securities and Exchange Board of India (SEBI) amended (April and September 2014) clause 49 of the Listing Agreement to align it with the Corporate Governance provisions specified in the Companies Act, 2013. SEBI notified (2 September 2015) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which came into effect from 1 December 2015 repealing the earlier provisions.

[46] Separately dealt with in Chapter IV of this report.

3.1.3 Bureau of Public enterprise (BPE) guidelines on Corporate Governance for Tamil Nadu Public Sector Undertakings

As per section 177 of Companies Act, 2013 all listed companies and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee with a minimum of three directors as members with Independent Directors forming a majority. Further, Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014, prescribed the following class of companies shall also constitute an Audit Committee:(i) Public Companies having paid up share capital of ₹10 crore or more, or (ii) Public Companies having turnover of ₹100 crore or more, or (iii) Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding ₹50 crore.

BPE, Government of Tamil Nadu *vide* its instructions of May 2012 insisted that the PSUs which do not come under the purview of the threshold limits prescribed under section 177 of Companies Act, 2013 should also constitute Audit Committee.

Compliance to the above provisions of Companies Act, 2013, BPE guidelines, Companies (Appointment and Qualification of Directors), Rules, 2014, Companies (Meetings of Board and its powers) Rules, 2014 by the selected PSUs was reviewed. In addition to the above, compliance to SEBI guidelines by the lone listed State PSU was also reviewed.

3.1.4 Review of compliance to the Corporate Governance provisions by PSUs

As on 31 March 2022, there were 83 working PSUs[47] (including one listed PSU) and one Statutory Corporation in Tamil Nadu under the audit jurisdiction of the CAG of India. Out of this, compliance to Corporate Governance provisions by 74 PSUs[48] were examined by Audit. In the context of the policy of the Government to grant more autonomy to the PSUs, corporate governance has assumed importance.

3.2 Board of Directors – Meetings and its composition

3.2.1 Meetings of Board of Directors

As per Section 173(1), the companies should hold a minimum of four meetings of Board of Directors every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. Ministry of Corporate Affairs, Government of India issued circular dated 03 May 2021

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47 Excludes two non-working PSUs *viz*., Tamil Nadu State Construction Corporation Limited and Tamil Nadu Goods Transport Corporation Limited.

48 Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited, Tamil Nadu Civil Supplies Corporation, CBIC Ponneri Industrial Township Limited, Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited, Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited, Tamil Nadu Wilderness Experiences Corporation Private Limited, Tamil Nadu Startup and Innovation Mission, Erode Smart City Limited and Coimbatore Smart City Limited have been excluded.

extending the gap between two Board meetings by a period of 60 days for the first two quarters of 2021-22 in view of the resurgence of COVID-19 i.e., the gap between two consecutive meetings of the Board may extend to 180 days during the two Quarters April to June 2021 (upto September 2021) and July to September 2021 (upto December 2021). However, there was no relaxation with respect to conduct of a minimum of four meetings as required under Section 173(1). Audit observed that 20 PSUs (**Appendix XVII**) did not comply with Section 173(1) of the Companies Act, 2013 with respect to conduct of minimum of four Board meetings during the year 2021-22.

3.2.2 Appointment of Independent Directors

The Board is the most significant instrument of corporate governance. The presence of independent representatives on the Board, capable of taking an independent view on the decisions of the management is widely considered as a means of protecting the interests of shareholders and other stakeholders. In terms of section 149 (4) of the Companies Act, 2013, where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case he is an executive director, at least half of the Board should comprise independent directors. As per Clause 49 (II) (B) (1), 'independent director' shall mean a non-executive director, other than a nominee director of the company. Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, however, stipulated that the following class or classes of companies shall have at least two directors as independent directors:

(i) The Public Companies having paid up share capital of ₹10 crore or more, or
(ii) The Public Companies having turnover of ₹100 crore or more, or
(iii) The Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding ₹50 crore.

The representation of independent directors in the Board of the unlisted PSUs has been examined with reference to Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and BPE guidelines of August/ December 2014.

Audit observed that there was not even a single independent director in the Board in respect of eight PSUs. Further, there was only one independent director against the norm of two in two PSUs. Consequently, the provisions of Section 149 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to appointment of independent Directors have not been complied with by these 10 PSUs (**Appendix XVIII**). Thus, non-appointment of Independent Directors is in contravention of the provisions of Section 149 of the Companies Act, 2013.

3.2.3 Woman Director in the Board

Section 149 (1) of the Companies Act, 2013, stipulate that the Board of Directors of the company shall have at least one woman Director in its Board. Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 also stipulated that the following class of companies shall appoint at least one woman director:

(i) Every listed company

(ii) Every other public company having

(a) Paid up share capital of ₹100 crore or more, or

(b) Turnover of ₹300 crore or more.

Audit observed that two PSUs *viz.,* Tamil Nadu Arasu Cable TV Corporation Limited and Tamil Nadu Generation and Distribution Corporation Limited did not appoint woman director in their Board and consequently, the above provisions of the Companies Act had not been complied with.

3.3 Functioning of Independent Directors

Audit examined PSUs which are required to comply with the provisions of Companies Act, 2013 and regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the functioning of Independent Directors and observed as follows:

3.3.1 Declaration of status

Section 149 (7) of the Companies Act, 2013, stipulate that the Independent Director shall make a declaration that he meets the status of Independent Director. However, the Independent Directors of Tamil Nadu Corporation for Development of Women Limited did not declare their independent status as per the requirements of the above section.

3.3.2 Training of Independent Directors

Schedule IV of Companies Act, 2013 - Para (III) (1) – Duties of Independent Directors and Clause 49 (II) (B) (7) (a) and (b) and Regulations 25 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulate that the company shall provide suitable training to independent directors to familiarise them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. However, it was observed that two[49] PSUs did not impart any training to the Independent Directors who were on their Board during the year 2021-22.

3.3.3 Meetings of Board of Directors and Board committees

Schedule IV (III) (3) of the Companies Act, 2013 states that Independent Directors should strive to attend all the meetings of Board of Directors and Board Committees of which he/she was a member. Some of the Independent Directors, however, did not attend the Board meetings. The number of such Independent Directors who did not even attend 75 *per cent* of meetings is indicated in **Appendix-XIX.**

3.3.4 Attending General Meetings of the Company

Schedule IV (III) (5) of the Companies Act, 2013 states that Independent Directors shall strive to attend the General Meetings of the Company. The six PSUs in which Independent Directors did not attend the general meetings is given in **Appendix-XX.**

[49] Tamil Nadu Corporation for Development of Women Limited and Tamil Nadu Infrastructure Fund Management Corporation Limited

3.3.5 Meeting of Independent Directors

Schedule IV (VII) (1) of the Companies Act, 2013, Regulation 49 II B (6) (a) of Listing Agreement and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require that Independent Directors shall meet at least once in a financial year, without the attendance of non-independent Directors and members of management. It was noticed that separate meetings of independent directors were not conducted in respect of 14 PSUs detailed in **Appendix-XXI.**

3.4 Filling up the post of Key Managerial Personnel

3.4.1 It was observed that in nine PSUs *vide* **Appendix XXII** vacancies of whole time Key Managerial Personnel[50] were not filled within the period of six months prescribed in Section 203 (4) of the Companies Act, 2013. It is pertinent to mention that despite the directions of BPE, Finance Department, GoTN to the PSUs for strict compliance to the provisions of Companies Act, 2013 and Companies Rules, 2014 with respect to appointment of whole time key managerial personnel, these nine PSUs failed to comply with the provisions relating to the filling up of vacancies of key managerial personnel.

3.5 Audit Committee

3.5.1 Composition of Audit Committee

Section 177 (1) and (2) of the Companies Act, 2013, stipulate that there shall be an Audit Committee with a minimum of three directors as members with Independent Directors forming a majority. However, no Audit Committee was constituted in respect of two PSUs *viz*., Tamil Nadu Medical Services Corporation Limited and Tamil Nadu Backward Classes Economic Development Corporation Limited. 13 PSUs (as detailed in **Appendix-XXIII)** which did not come under the threshold limits prescribed under Section 177 of Companies Act,2013, were also required to constitute Audit Committee in terms of BPE, Government of Tamil Nadu instructions of May 2012. Three PSUs *viz.*, Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited, Tamil Nadu FibreNet Corporation Limited and Tamil Nadu Warehousing Corporation though constituted Audit Committee did not conduct meeting of the committee during 2021-22. Further, majority of the Audit Committee members were not Independent Directors as per the requirements of Section 177 of the Companies Act, 2013 in respect of 13 PSUs detailed in **Appendix-XXIV**.

3.5.2 Evaluation of Internal Control Systems

Section 177 (4) (vii) of Companies Act, 2013, Clause 49 (III) (D) (11) Listing Agreement and Part C (A) (11) of schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulate that the Audit Committee should evaluate internal financial control systems. However, the Audit Committee did not evaluate the internal financial control systems in respect of nine PSUs detailed in **Table 3.1** during 2021-22.

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[50] As per Section 2(51) of the Companies Act, 2013, Key Managerial Personnel, in relation to a company, means (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed.

Table 3.1: PSUs in which the Audit Committee did not evaluate the Internal Financial control systems during 2021-22.

Sl. No.	Name of the PSU	Date on which Audit Committee meetings were conducted
1	Tamil Nadu Cements Corporation Limited	06 August 2021, 29 October 2021, 23 November 2021, 08 February 2022 and 28 March 2022
2	Tamil Nadu Industrial Investment Corporation Limited	12 October 2021 and 17 February 2022
3	Udangudi Power Corporation Limited	04 January 2022 and 19 March 2022
4	Tamil Nadu Small Industries Corporation Limited	17 February 2022
5	Tamil Nadu Industrial Explosives Limited	16 September 2021, 30 December 2021 and 23 March 2022
6	Tamil Nadu Forest Plantation Corporation Limited	05 July 2021
7	State Express Transport Corporation Limited	22 June 2021, 7 July 2021, 15 November 2021 and 15 March 2022
8	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	09 July 2021, 01 November 2021, 17 November 2021 and 05 March 2022
9	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	02 September 2021, 22 November 2021 and 14 March 2022

Source: Details received from the PSUs

3.5.3 Monitoring of the Auditor's Performance

Section 177 (4)(ii) of Companies Act, 2013, stipulate that the Audit Committee shall review and monitor the auditor's independence and performance, and effectiveness of audit process. In seven PSUs (**Appendix-XXV**), the auditor's performance was not reviewed by the Audit Committee.

3.5.4 Review of Information/Documents by Audit Committee

3.5.4.1 Review of findings of CAG and other information

All the PSUs are subject to the audit of CAG of India as per the statutory mandate. Section 143 (6) of the Companies Act, 2013, authorises CAG to carry out supplementary audit of accounts of PSUs. Further, Section 177 (4) (iii) of the Companies Act, 2013 provides that Audit Committee shall examine the financial statements and Auditors' Report thereon. Thus, in case of PSUs, it is the responsibility of the Audit Committee to review the findings of CAG including management letters issued by CAG. However, the Audit Committee did not review CAG's findings and management letters of CAG in respect of four PSUs *viz.,* Tamil Nadu Industrial Investment Corporation Limited, Poompuhar Shipping Corporation Limited, Tamil Nadu Forest Plantation Corporation Limited and State Express Transport Corporation Limited.

Section 177 (4) of Companies Act 2013, stipulate that the Audit Committee shall mandatorily review the information relating to (i) management discussion and analysis of financial condition and results of operations, (ii) statement of related party transactions (as defined by the Audit Committee) submitted by management, (iii) management letters/letters of internal control weaknesses issued by the statutory auditors and (iv) internal audit reports relating to internal control weaknesses. However, it was observed that Audit Committee

did not review the above items in respect of 12 PSUs indicated in **Appendix-XXVI.** Non review of the Internal Audit processes including management letters/letters of internal control weaknesses issued by the statutory auditors and the internal audit reports by the audit committee would result in non taking of timely action for rectification of the weakness pointed out by the management.

3.5.4.2 Discussion with Statutory Auditors

Section 177 (5) of the Companies Act, 2013, Clause 49 (III) (D) (16) of Listing Agreement and Part C (A) (16) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that the Audit Committee should hold discussions with the statutory auditors about nature and scope of audit before commencement of audit to ascertain the areas of concern. The Audit committee of 11 PSUs indicated in **Appendix-XXVII** did not hold any such discussion.

3.6 Other Committees

3.6.1 Nomination and Remuneration Committee

Section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 stipulate that each PSU shall constitute a Nomination and Remuneration Committee comprising of at least three Directors, all of whom should be non-executive Directors and at least half of them shall be Independent Directors. The Chairman of the Committee shall be an Independent Director. The role of the Nomination and Remuneration Committee is to determine the framework and policy on the terms of engagement (including remuneration) of the Chairman, Executive Directors, and each member of the Board.

However, 22 PSUs listed in **Appendix-XXVIII** did not constitute Nomination and Remuneration Committee as per the requirements of the above Act/Rules.

3.6.2 Whistle Blower Mechanism

Section 177 (9) of the Companies Act, 2013 and Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 stipulate that the listed companies and other class of companies[51] shall constitute a vigil mechanism, which shall be reviewed by the Audit Committee. Audit observed that 12 PSUs (*vide* **Appendix-XXIX**), falling under the above criteria, had not established the vigil mechanism. In the lone listed PSU in the State *viz*., Tamil Nadu Newsprint and Papers Limited, Audit Committee itself reviewed the vigil mechanism.

Non establishment of Vigil Mechanism in the above 12 PSUs would deprive directors and employees of these PSUs to report genuine concerns and grievances about unethical behavior, suspected fraud or violation of Company's code of conduct or ethics policy. Therefore, it is emphasised that Vigil Mechanism may be established in the above PSUs for providing adequate safeguards against victimisation of persons who use such mechanism.

[51] Companies which receive deposits from public and borrow from Banks and Public Financial Institutions in excess of ₹50 crore

3.7 Conclusion

This chapter dealt with the adherence to Corporate Governance guidelines by the PSUs. Matters related to appointment of independent directors/women directors in the board of directors of the PSUs, the constitution of audit committee, etc., are highlighted in this chapter. During 2021-22, out of the 82 working PSUs (including one PSU listed in the stock exchange), 20 PSUs did not comply with the mandatory requirement of four meetings of the Board of Directors. The Board of Directors in 13 PSUs did not comprise the required number of independent directors. In two PSUs, the provisions of the Companies Act to appoint women Director was not complied with. In six PSUs, the Independent Directors did not attend the general meetings of the Company. No separate meeting of Independent Directors was conducted in respect of 14 PSUs. The post of Key Managerial Personnel was not filled up within the time prescribed in nine PSUs.

No Audit Committee was constituted in two PSUs. Further, in respect of 13 PSUs, majority of the members of the Audit Committee were not independent directors. The Audit Committee of nine PSUs did not evaluate the internal financial control systems. In seven PSUs, the Audit Committee did not review and monitor the auditor's performance and effectiveness of audit process. Audit Committee did not review the findings of CAG in respect of four PSUs. Audit Committee did not discuss the nature and scope of audit with the statutory auditors before commencement in respect of 13 PSUs to focus on the areas of concern. Nomination and Remuneration Committee was not constituted by 23 PSUs.

3.8 Recommendations

1. *Government should ensure that regular meetings of Board of Directors are held as per the provision of the Companies Act.*
2. *Government should ensure that training is provided to the Directors of the PSUs to keep themselves updated with the changes taking place around the business environment.*
3. *Government should ensure that the PSUs comply with the provisions of the Companies Act, 2013 with respect to composition of Independent Directors and Women Directors in their Board.*
4. *Government should ensure that Audit Committee is constituted as per the provisions of the Companies Act, 2013 and Government orders. In respect of the PSUs which constituted Audit Committee, Government should also ensure that the PSUs appoint majority of the members as Independent Directors of the Audit Committee.*
5. *Government must ensure that Audit Committees review the Internal Audit processes including the internal audit reports, action taken on them by the PSUs as per the provisions of the Companies Act.*
6. *Government must ensure that Audit Committees discuss with the Statutory Auditors, the areas of concerns in the PSUs and suggest additional areas which require further probe and reporting.*
7. *Government must ensure that whistle blower mechanism is formed by the PSUs which are legally required to do so.*

CHAPTER IV

CHAPTER IV

Corporate Social Responsibility

4.1 Introduction

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the local community at large. The primary objective of CSR is to promote responsible and sustainable business philosophy at a broad level and to encourage companies to come up with innovative ideas and robust management systems to address social and environment concerns of the country. Broadly, the CSR mandate is aligned with the national priorities such as public health, education, livelihood, water conservation, natural resource management etc. CSR awareness and CSR consciousness has grown vividly among large and medium sized companies, which now look at CSR to build a strategic fit with the community and environment in which they operate.

Chart: 4.1



The concept of CSR provides a robust framework for companies to collaborate in contributing to the country's development challenges through its managerial skills, technology and innovation. Besides providing an overall guidance framework for the Corporate to carry out their CSR initiatives, it also provides them with ample autonomy and flexibility to design and implement programmes. The monitoring is based on disclosures made by the company in its annual report as per prescribed format.

Legal Framework: Section 135 of Companies Act, 2013 (hereafter referred to as the Act), deals with the subject of Corporate Social Responsibility and lays down the qualifying criteria based on net worth, turnover and net profit during immediately preceding financial year[52] for companies which are required to undertake CSR activities. This section *inter alia,* specifies the broad modalities of selection, implementation and monitoring of CSR activities by the Board of Directors of the Company. The activities, which may be included by the companies in their CSR policies, are listed in Schedule VII of the Act.

[52] As per Amendment 37 of Companies Act, 2017, to resolve the ambiguity on any financial year, the words 'any financial year' has been replaced with the words immediately preceding financial year. This notification is effective from 19 September 2018.

The provisions of Section 135 and Schedule VII of the Act are applicable to all companies including state Public Sector Undertakings (PSUs). The State Government has not brought out any specific guidelines in respect of Corporate Social Responsibility (CSR) but directed the PSUs to comply with provisions of the Companies Act on the subject. However, the State Government requested the PSUs to contribute the CSR funds to the Tamil Nadu State Disaster Management Authority. The above provisions of Companies Act, 2013 and Companies Rules, 2014 though not applicable to the Statutory Corporation, *viz*., Tamil Nadu warehousing Corporation (TANWARE), it had resolved, *inter alia*, to comply with the provisions of Companies Act, 2013 on CSR in its 266 Board meeting held on 19 October 2019. The Act makes it mandatory for a company to spend, annually atleast two *per cent* of average net profit of three immediately preceding financial years towards CSR activities.

The compliance to the provisions of CSR under the Act *i.e*., constitution of CSR Committee, formulation of CSR Policy and spending of prescribed amount on CSR activities, came into force from April 2014. In February 2014, Ministry of Corporate Affairs (MCA) issued Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Rules were made applicable to all companies including State PSUs *w.e.f.* 01 April 2014.

4.2 Audit objectives

Audit objectives were to ascertain whether the provisions of the Companies Act, 2013 and Companies (CSR Policy) Rules 2014 were complied with by State PSUs. In order to assess the efforts of the PSUs, Audit examined the following issues:

- Whether the provisions relating to Constitution of CSR Committee, formulation and compliance to the policy have been complied with;
- Whether the CSR activities selected for implementation are within the list of activities given under schedule VII of the Companies Act, 2013; and compliance to orders of Government of India (GoI) issued *vide* Ministry of Corporate Affairs circular dated 23 March 2020 for spending CSR funds for various activities related to COVID-19 under items (i) and (xii) of schedule VII of Companies Act.
- Whether the provisions relating to prescribed amount to be spent on CSR activities have been complied with;
- Whether the needs of the local people have been taken into consideration while prioritising the selection of the activities/projects under CSR activities; and
- Whether the provisions relating to monitoring, reporting and evaluation have been complied with.

4.3 Audit Scope and coverage

Audit reviewed the CSR activities carried out during the year 2021-22 by **(Appendix-XXX)** 15 PSUs (including one Statutory Corporation) which reported profit of ₹five crore or more in 2020-21 as detailed in **Table 4.1**.

Table 4.1: Selection of PSUs for review of CSR activities

Net profit of PSUs	No. of PSUs	No. of PSUs selected	Percentage
Above ₹100 crore	3	3	100.00
₹50 to ₹100 crore	2	2	100.00
₹10 to ₹50 crore	9	9	100.00
₹5 to ₹10 crore	1	1	100.00
Total	**15**	**15**	**100.00**

Source: Annual Accounts of PSUs for 2020-21

The CSR activities of Tamil Nadu Newsprint and Papers Limited was also reviewed as it had spent more than ₹one crore on various CSR activities during 2021-22 though it had reported loss during 2020-21.

4.4 Audit Criteria

Audit analysis was carried out against following criteria:

(i) Provisions contained in Section 135 and Schedule VII of the Companies Act, 2013.

(ii) Provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014.

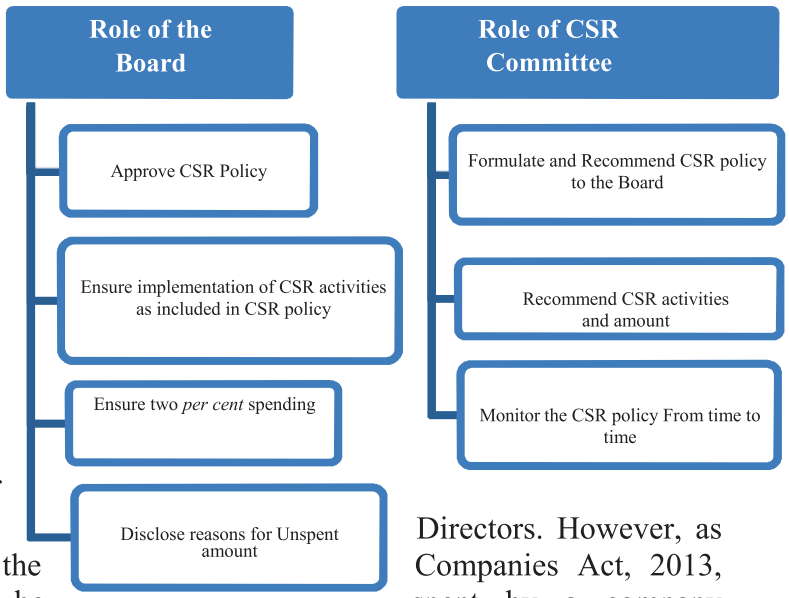
4.5 Audit findings

Audit findings on extent of compliance with the provisions of the Act with regard to constitution of CSR Committee, formulation and compliance of policy, planning and execution of CSR activities, and monitoring and reporting thereof by the PSUs are given in the following paragraphs.

4.5.1 Planning

4.5.1.1 Constitution of CSR Committee

Chart 4.2: Role of the Board and CSR Committee



As per section 135(1) of the Act, every company having a net worth of ₹500 crore or more or turnover of ₹1,000 crore or more or a net profit of ₹5 crore or more during immediately preceding financial year shall constitute a CSR committee of the Board consisting of three or more Directors. However, as per section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under sub-section (5) does not exceed ₹50 lakh, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be

discharged by the Board of Directors of such company. Role of the Board and CSR Committee as per section 135(3), (4) & (5) of the Act is depicted in the Chart 4.2. Audit observed that all 16 PSUs selected for audit were meeting the above criteria to undertake CSR activities as per the provisions of the Act. Further, all the PSUs which were required to constitute CSR committee as per 135(9) of the Companies Act, 2013 had constituted the same and were having minimum of three Directors in the Committee, except one PSU[53], in accordance with section 135(1) of the Act.

4.5.1.2 Independent Directors in Committee

As per section 135(1) of the Act, CSR committee shall have at least one Independent Director. Further, according to Rule 5 (1) (i) of CSR Rules, 2014, an unlisted Public company covered under Section135(1) is not required to appoint an Independent Director pursuant to Section 149(4) of the Act and it shall have its CSR Committee without such director. Audit observed that the lone listed PSU in the State *viz*., Tamil Nadu Newsprint and Papers Limited had appointed five independent directors in the CSR committee.

4.5.1.3 Framing of CSR policy

Section 135 (3) of the Act requires that the CSR Committee shall formulate and recommend a CSR Policy for the company to the Board who shall, as per section 135(4) approve the same after taking into account the recommendations of the committee. Out of 16 PSUs, 15 PSUs had framed the CSR policy and the respective Board had approved the same. One PSU[54] had not framed its CSR policy.

As per CSR Rule No.6, policy should *inter alia*, include that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company. Audit observed that 10 PSUs have adopted this provision in their policy while the remaining six PSUs did not specify this in their policy.

4.5.1.4 Annual CSR Plan and Budget

Role of the CSR Committee is to recommend to the Board the CSR activities and the amount to be spent in the financial year; the Board has to ensure implementation of the CSR activities. This entails planning and approval of CSR activity and budget. Audit observed that nine PSUs had prepared its annual CSR plan, while seven PSUs did not have Annual CSR Plan for the year 2021-22. As a best practice, the proposed CSR projects and the budget for the ensuing financial year should be presented to the Board for approval through CSR Committee latest by 31 March of the preceding financial year so that there is no rush to exhaust the funds in the last quarter. Besides, it will also ensure full utilisation of the funds in the financial year. It was observed that only nine PSUs had got its budget approved. However, as per the data available for five PSUs, only one PSU got its budget approved in the preceding financial year and one PSU got the budget approved in Quarter (Q) 1, one PSU in Q2 and two PSUs in Q4 of 2021-22.

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53 Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited

54 Electronics Corporation of Tamil Nadu Limited

4.5.2 Financial component

4.5.2.1 Allocation of funds

As per Section 135 (5) of the Act, it is mandatory for any company to spend annually atleast two *per cent* of average net profit of three immediately preceding financial years in pursuance of its CSR Policy. Accordingly, two *per cent* of average net profit calculated as per Section 198 of the Act for 16 PSUs was ₹23.72 crore against which these PSUs had allocated ₹25.88 crore. Audit observed that all the 16 PSUs had allocated the minimum requirement at two *per cent* of average net profit in the three immediately preceding financial years.

4.5.2.2 Utilisation of Funds

Section 135 (5) of the Act states that the Board shall ensure that the company spends two *per cent* of average net profit of preceding three years.

Audit observed that as per the above section, the PSUs were required to allocate ₹23.72 crore for 2021-22. The PSUs allocated ₹25.88 crore for CSR expenditure, against which 16 PSUs had spent ₹25.86 crore. This included ₹2.39 crore spent more than two *per cent* towards CSR activities by six PSUs (**Appendix-XXXI**) and ₹0.25 crore short spent by one PSU (**Appendix-XXXII**). The shortfall worked out to 38.46 *per cent* of the CSR funds to be spent by the PSU.

4.5.2.3 Utilisation of carry forward amount

As per MCA clarification (12 January 2016), the Board is free to decide whether any unspent amount from the minimum CSR fund is to be carried forward to the next year.

Table 4.2: Utilisation of carry forward

(₹ in crore)

PSUs	Carry forward from previous years	Spent in 2021-22	Unspent amount
Tamil Nadu Ex-servicemen's Corporation Limited	0.19	0.19	NIL
Tamil Nadu Forest Plantation Corporation Limited	0.55	0.55	NIL
State Industries Promotion Corporation of Tamil Nadu Limited	4.26	4.26	NIL
TIDEL Park Limited	3.80	NIL	3.80
Electronics Corporation of Tamil Nadu Limited	1.74	1.74	NIL
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	4.53	4.53	NIL

Source: Details received from the PSUs

The above six PSUs had carried forward the unspent amount of ₹15.07 crore (from financial year 2020-21 and previous years), out of which an amount of ₹11.27 crore was spent in 2021-22 leaving a balance of ₹3.80 crore(one PSU).

It is pertinent to mention that the total unspent amount (carried forward as well as unspent from current year allocation) was ₹4.05 crore in respect of two PSUs.

4.5.2.4 Sector wise CSR spend

Audit covered 16 PSUs across various sectors. Highest expenditure was by Industries sector (six PSUs, ₹18.52 crore) followed by Power sector (one PSU ₹11.12 crore) and other sectors (six PSUs ₹5.26 crore). Least amount on CSR was spent by Environment and Forest sector, from one PSU (₹0.95 crore).

Table 4.3: Sector wise CSR spend

Sl. No.	Sector	No. of PSUs	2 *per cent* (including carry forward amount) (₹ in crore)	Actual spent (including carry forward) (₹ in crore)
1	Industries	6	20.34	18.52
2	Power	1	11.12	11.12
3	Micro, Small and Medium Enterprises	2	1.24	1.28
4	Environment and Forest	1	1.20	0.95
5	Others	6	4.89	5.26

Source: Information received from the PSUs.

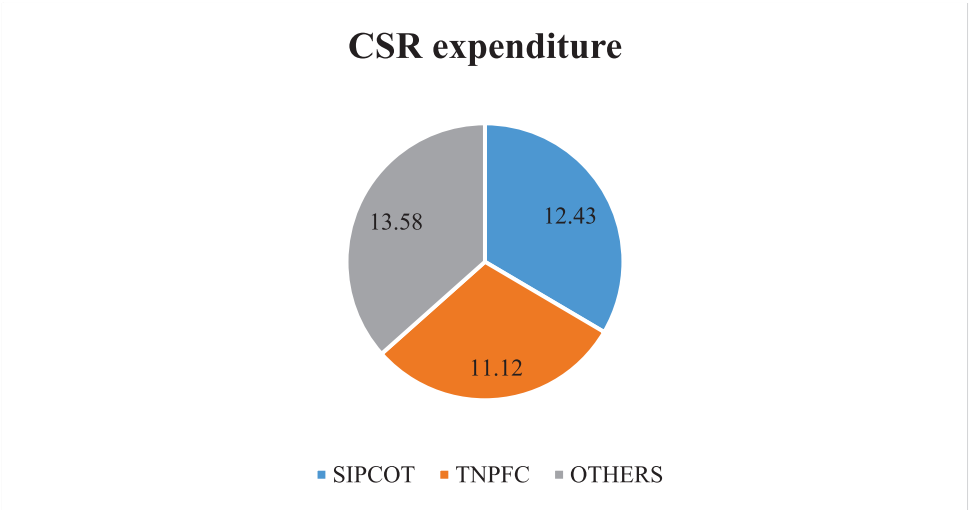
As per the data mentioned in Table 4.3, there was a shortfall in CSR spend in two sectors while all other sectors had spent the entire allocation including carry forward amount. The two sectors where shortfall was noticed were Industries sector (₹1.82 crore) and Environment and Forest sector (₹0.25 crore).

4.5.2.5 PSUs with highest expenditure

Total spend on CSR activities by 16 PSUs in 2021-22 was ₹37.13 crore. The top spenders were State Industries Promotion Corporation of Tamil Nadu Limited at ₹12.43 crore (33.48 *per cent* of total CSR spent) and Tamil Nadu Power Finance and Infrastructure Development Corporation Limited at ₹11.12 crore (29.95 *per cent* of total CSR spent). As against total CSR spend of ₹37.13 crore, the above two PSUs accounted for 63.43 *per cent* with total spend of ₹23.55 crore.

Chart 4.3: Expenditure on CSR by PSUs

(₹ in crore)



Source: Details received from PSUs

4.5.2.6 Range of CSR spend

Out of 16 PSUs which spent CSR funds during 2021-22, six PSUs had spent more than ₹one crore and ten PSUs spent less than ₹one crore as per details below:

(a) Six PSUs which spent more than one crore *viz.,* State Industries Promotion Corporation of Tamil Nadu Limited, Tamil Nadu Power Finance and Infrastructure Development Corporation Limited, Tamil Nadu Newsprint and Papers Limited, Electronics Corporation of Tamil Nadu Limited, TIDEL Park Limited and Tamil Nadu Industrial Investment Corporation Limited.

(b) The remaining 10 PSUs spent less than one crore (**Appendix-XXXIII**).

4.5.2.7 Administrative overheads

As per CSR Rule 4 (6), Administrative overhead expenditure (OH) shall not exceed five *per cent* of overall CSR expenditure for the financial year. The OH expenditure required to be disclosed separately should include baseline studies, capacity building and other overheads. However, none of the PSUs had incurred any expenditure towards Administrative overheads.

4.5.2.8 Surplus from CSR project

As per CSR Rules 2014, any surplus arising from CSR projects shall not form part of business profit of a company. None of the 16 PSUs generated surplus from CSR projects.

4.5.2.9 Asset creation from CSR activities

Out of 16 PSUs, CSR assets were created, *inter alia*, through CSR activities in four PSUs during 2021-22. However, no CSR assets are in the name of PSUs and all the CSR assets have either been transferred to State Government, NGO, or to the beneficiary(s).

4.5.3 Project Implementation

4.5.3.1 Selection of CSR projects/activities

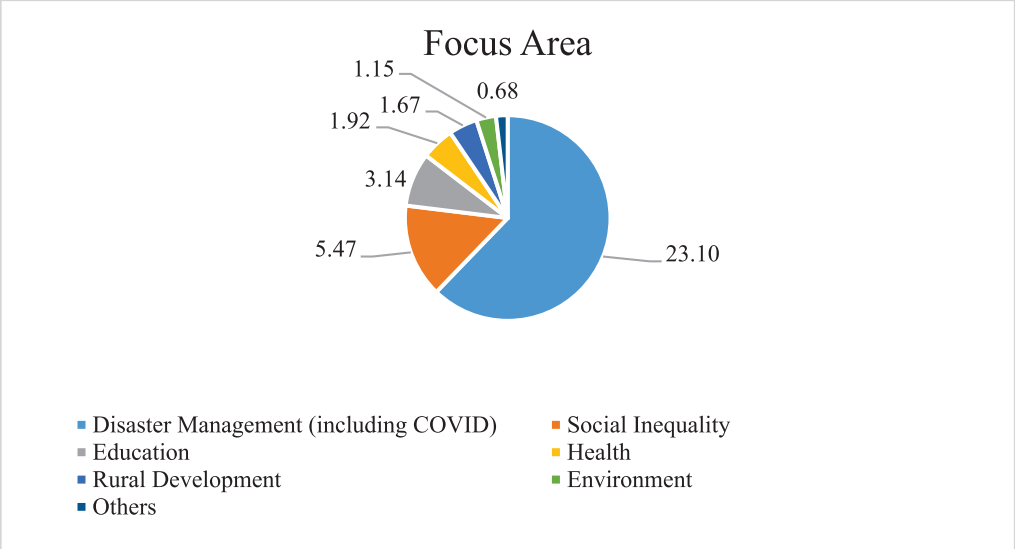
Conduct of baseline survey and assessment: None of the 16 PSUs had undertaken base line survey for identifying CSR activities.

4.5.3.2 Manner of implementation of CSR activities

Rule 4 of Companies (CSR) Rules, 2014 exclusively deals with the manner in which the CSR activity is to be undertaken under Section 135(1). The Board may decide to undertake its CSR activities as approved by CSR committee through a registered trust/society or a company established by the PSU or its holding, subsidiary, or associate company under section 8 of the Act or otherwise. However, during the year the PSUs spent the CSR funds through Government departments, NGOs/societies and handed over the funds to the concerned Directorate/ identified agencies for implementation of the CSR activities.

4.5.3.3 Focus Areas

Chart 4.4 Focus Areas in CSR expenditure



Source: Information received from the PSUs

As indicated in the chart, contributions to State Disaster Management Authority including Covid-19 expenditure received the maximum focus (62.21 *per cent*) for spend of CSR funds. Total expenditure by eight PSUs under this head was ₹23.10 crore. Next highest expenditure (₹5.47 crore by two PSUs) was towards social development and removal of social inequality accounting for 14.73 *per cent*. Other major focus areas where contributions made were for expenditure incurred for projects on education (₹3.14 crore by seven PSUs), health (₹1.92 crore by four PSUs), rural development (₹1.67 crore by three PSUs) and environment (₹1.15 crore by four PSUs). Least focus areas were on sports (contribution of ₹0.43 crore by one PSU) and culture and heritage (contribution of ₹0.25 crore by one PSU). One PSU *viz.,* Tamil Nadu Newsprint and Papers Limited covered maximum (7 out of 12) Schedule VII activities.

4.5.3.4 Local areas

Section 135(5) of the Act provides that the company shall give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR activities.

- Three PSUs defined local area and Seven PSUs did not define local area in their CSR policy. Six PSUs did not furnish details about defining of local area.
- As per the data available in respect of 16 PSUs, out of the total CSR spend of ₹37.13 crore, three PSUs spent ₹1.64 crore in non-operational area *i.e.* 4.42 *per cent*. (**Appendix-XXXIV**). Six PSUs spent 100 *per cent* in local areas. Further, seven PSUs which spent ₹21.89 crore did not specify the areas where they incurred the CSR expenditure which included contributions of ₹19.41 crore to Tamil Nadu State Disaster Management Authority.

4.5.3.5 Notable Projects

All the 16 PSUs took up CSR activities in 2021-22 and the three major focus areas were contributions of ₹23.10 crore to State Disaster Management Authority (including Covid-19), measures for reducing social inequality (₹5.47 crore) and Education (₹3.14 crore). Few notable projects are listed in **Table 4.4** below:

Table 4.4: Notable Projects

(₹ in crore)

PSUs	Notable Project	Amount spent
Health care and sanitation		
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.	Contributions to State Disaster Management Authority for combating COVID-19.	10.87
State Industries Promotion Corporation of Tamil Nadu Limited.	Contributions to State Disaster Management Authority for combating COVID-19	6.63
Social inequality		
State Industries Promotion Corporation of Tamil Nadu Limited.	Hostel facility for socially/economically backward groups.	5.29
Education		
Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited.	Establishment of schools through Chennai Corporation.	0.66

Source: Details provided by PSUs

4.5.4 Monitoring Framework

As per Rule 5(2) of CSR Rules, 2014 the CSR committee shall institute a transparent monitoring mechanism for implementation of CSR projects/programs/activities undertaken by the company. Audit observed that six out of 16 PSUs had not mentioned the monitoring mechanism in their CSR policy. Eight PSUs did annual monitoring, one PSU half yearly and three PSUs Quarterly. Four[55] PSUs did not specify the periodicity of monitoring.

As per CSR Policy, PSUs have to hold review meetings based on the periodicity specified in the policy. Out of eight PSUs which had to hold review meetings annually, three[56] PSUs did not conduct the same and one[57] PSU adopted through circular resolution. Audit noticed shortfall in conduct of Quarterly review meetings in two[58] PSUs while one[59] PSU passed resolution through circular instead of conducting quarterly review meetings.

Evaluation/Impact Assessment: Out of 16 PSUs only three PSUs carried out impact assessment on the amount spent on CSR project/activity, out of which two PSUs carried out the same in-house while one PSU did not specify the

[55] State Industries Promotion Corporation of Tamil Nadu Limited, Tamil Nadu Small Industries Development Corporation Limited, TIDEL Park Limited and TICEL Bio Park Limited.

[56] Tamil Nadu Forest Plantation Corporation Limited, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited and Tamil Nadu Transport Development Finance Corporation Limited.

[57] Tamil Nadu Industrial Investment Corporation Limited.

[58] Tamil Nadu Fisheries Development Corporation Limited and Tami Nadu Warehousing Corporation.

[59] Tamil Nadu Industrial Development Corporation Limited.

mode of assessment. Nine PSUs did not carry out impact assessment while four PSUs did not specify the same.

4.5.5 Reporting and Disclosure

As per Section 135 (2) read with Section 134 (3) (O) of the Act, a Company is required to include an annual report on CSR in their Board of Directors' Report and place it on the official website. According to Rule 9 of CSR Rules 2014, the companies have to disclose the following in the prescribed format:

- Contents of CSR policy and its web link, average net profit, composition of CSR committee, administrative overheads, prescribed amount to be spent, unspent amount, reasons for unspent amount.
- Include a responsibility statement signed by the CSR committee that the implementation and monitoring of CSR policy was in compliance with the CSR objective and Policy of the Company.

Audit observations on compliance of the above:

- Four PSUs did not indicate web link to the CSR Policy in the report.
- One PSU viz., Tidel Park Limited which had unspent amount carried forward for more than three years did not provide the reasons for the same.
- Five PSUs[60] did not include responsibility statement of the CSR Committee in accordance with Rule 9 of CSR Rules 2014.

4.6 Conclusion

This chapter dealt with the adherence to Corporate Social Responsibility principles by the PSUs. Issues related to monitoring of Corporate Social Responsibility policy, utilisation of Corporate Social Responsibility funds spending, compliance of reporting and disclosure, etc. are highlighted in this chapter.

All the 16 PSUs have complied with the provisions of the Act and CSR Rules with regard to formation of CSR committee.15 PSUs had framed the CSR policy and one PSU had not framed the CSR policy. Six PSUs spent more than two *per cent*, nine PSUs spent exactly two *per cent* of CSR funds and one PSU spent less than two *per cent* of the allocation made towards CSR activity. Contribution to State Disaster Management Authority including Covid-19 (62.21 *per cent*) and social development and removal of social inequality (14.73 *per cent*) were the main focus areas and secured maximum funding. Eight PSUs contributed CSR funds to State Disaster Management Authority and for combating COVID-19. Monitoring mechanism was in place in respect of 12 PSUs. Out of 16 PSUs, only three PSUs carried out impact assessment. There was non-compliance to the reporting and disclosure requirements by PSUs *viz*., four PSUs did not indicate web link to the CSR Policy in the report, one PSU did not provide the reasons for unspent amount and five PSUs did not include responsibility statement in their annual report on CSR.

[60] Tamil Nadu Transport Development Finance Corporation Limited, Tamil Nadu Small Industries Development Corporation Limited, State Industries Promotion Corporation of Tamil Nadu Limited, TIDEL Park Coimbatore Limited and Electronics Corporation of Tamil Nadu Limited.

4.7 Recommendations

1. *Government must ensure that PSUs frame their CSR policy.*
2. *PSUs should focus on spending the entire allocated funds on eligible activities in timely manner.*
3. *Government must ensure that the PSUs carry out impact assessment of their CSR activities.*
4. *PSUs must comply with the reporting and disclosure requirements of the CSR policy.*



Chennai
The 24 July 2024

(K.P. ANAND)
Principal Accountant General (Audit-II)
Tamil Nadu and Puducherry

Countersigned



New Delhi
The 06 August 2024

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

APPENDIX-I
(As referred to in Para No.1.1.3)
List of PSUs which came under/went out from the purview of CAG Audit during 2021-22

Sl. No.	Name of the PSU
Government companies came under purview of CAG Audit	
1	Tamil Nadu Centre of Excellence for Advanced Manufacturing
2	Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited
Government controlled Other companies came under purview of CAG Audit	
1	Tidel Neo Limited
2	Tamil Nadu Wilderness Experiences Corporation Private Limited
3	Tamil Nadu Startup and Innovation Mission
4	Vellore Smart City Limited
5	Tiruchirapalli Smart City Limited
6	Coimbatore Smart City Limited
7	Erode Smart City Limited
Government companies went out from the purview of CAG Audit	
1	Southern Structurals Limited
2	Tamil Nadu Police Transport Corporation Limited
3	Tamil Nadu Poultry Development Corporation Limited

APPENDIX-II
(Referred to in paragraph 1.2.1.1)
Summarised statement showing difference between Finance Accounts of Government of Tamil Nadu and Accounts of the PSUs in respect of balances of equity as on 31 March 2022

(₹ in crore)

Sl.No.	Name of PSU	Reconciliation		
		As per PSU Accounts Paid-up capital	As per Finance Accounts Paid-up capital	Difference
(1)	(2)	(3)	(4)	(5)
1	State Express Transport Corporation Limited	704.02	698.39	5.63
2	Metropolitan Transport Corporation Limited	892.90	893.72	0.82
3	Tamil Nadu State Transport Corporation (Coimbatore) Limited	984.89	984.07	0.82
4	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	879.89	879.07	0.82
5	Tamil Nadu State Transport Corporation (Salem) Limited	553.66	552.84	0.82
6	Tamil Nadu State Transport Corporation (Villupuram) Limited	750.55	749.73	0.82
7	Tamil Nadu State Transport Corporation (Madurai) Limited	713.63	712.81	0.82
8	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	824.07	823.25	0.82
9	Tamil Nadu Sugar Corporation Limited	217.24	218.24	1.00
10	Tamil Nadu Water Resources Conservation and River Restoration Corporation Limited	5.00	0.00	5.00
11	Tamil Nadu Working Women's Hostels Corporation Limited	1.00	0.00	1.00
12	Tamil Nadu FibreNet Corporation Limited	0.50	0.00	0.50
13	Pallavan Transport Consultancy Services	0.10	0.60	0.50
14	TNEB Limited	25379.24	25375.94	3.30
15	Tamil Nadu Transmission Corporation Limited	439.09	0.00	439.09
16	Chennai Smart City Limited	0.05	0.00	0.05
17	Tamil Nadu Skill Development Corporation Limited	0.05	0.00	0.05

18	Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited	5.00	0.00	5.00
19	Vellore Smart City Limited	0.05	0.00	0.05
20	Tiruchirapalli Smart City Limited	0.05	0.00	0.05
21	Adyar Poonga	0.10	0.00	0.10
22	Tamil Nadu Salt Corporation Limited	6.34	11.34	5.00
	TOTAL			**472.06**

In respect of four PSUs (Sl.No.2,9,13 and 22) the Finance accounts figures are more than PSU data which are under reconciliation.

APPENDIX-IIIA
As referred to in Para No.1.2.2.2)
PSUs having Debt Asset Ratio <1

Sl. No	Name of the PSU	Year of Accounts	Long term Loans	Total Assets	Debt Asset Ratio <1
1	Tamil Nadu Handloom Development Corporation Limited	2021-22	5.04	64.49	0.08
2	Tamil Nadu Backward Classes Economic Development Corporation Limited	2020-21	169.37	317.04	0.53
3	Tamil Nadu Minorities Economic Development Corporation Limited	2019-20	147.02	169.37	0.87
4	Tamil Nadu Civil Supplies Corporation	2020-21	1.20	15475.13	0.00
5	Tamil Nadu Medical Services Corporation Limited	2021-22	59.35	3192.56	0.02
6	Tamil Nadu Industrial Investment Corporation Limited	2021-22	1069.05	2585.35	0.41
7	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	2021-22	215.86	548.46	0.39
8	Tamil Nadu Textiles Corporation Limited	2021-22	5.01	34.60	0.14
9	Tamil Nadu Sugar Corporation Limited	2021-22	3.11	77.40	0.04
10	Tamil Nadu Cements Corporation Limited	2021-22	610.52	942.84	0.65
11	Perambalur Sugar Mills Limited	2021-22	2.23	147.26	0.02
12	Tamil Nadu Magnesite Limited	2021-22	37.81	130.14	0.29
13	Tamil Nadu Industrial Explosives Limited	2021-22	4.53	14.72	0.31
14	Tamil Nadu Tourism Development Corporation Limited	2021-22	4.47	133.03	0.03
15	Poompuhar Shipping Corporation Limited	2021-22	8.24	236.56	0.03
16	Tamil Nadu Arasu Cable TV Corporation Limited	2021-22	147.74	445.38	0.33
17	Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited	2021-22	629.31	661.70	0.95
18	Tamil Nadu Warehousing Corporation	2021-22	77.44	358.47	0.22
19	Tamil Nadu Generation and Distribution Corporation Limited	2021-22	138916.11	164257.60	0.85
20	Tamil Nadu Transmission Corporation Limited	2020-21	23573.83	47622.92	0.50
			1,65,687.24	**2,37,415.02**	**0.70:1**

APPENDIX-IIIB
(As referred to in Para No.1.2.2.2)
PSUs having Debt Asset Ratio >1

Sl. No	Name of the PSU	Year of Accounts	Long term Loans	Total Assets	Debt Asset Ratio >1
1	Tamil Nadu Minerals Limited	2021-22	120.33	110.08	1.09
2	Tamil Nadu Tea Plantation Corporation Limited	2021-22	164.57	68.82	2.39
3	Metropolitan Transport Corporation Limited	2021-22	1928.81	440.97	4.37
4	State Express Transport Corporation Limited	2021-22	1587.60	179.29	8.85
5	Tamil Nadu State Transport Corporation (Coimbatore) Limited	2021-22	2230.85	338.76	6.59
6	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	2021-22	1426.05	401.28	3.55
7	Tamil Nadu State Transport Corporation (Salem) Limited	2021-22	1065.55	291.01	3.66
8	Tamil Nadu State Transport Corporation (Villupuram) Limited	2021-22	1368.31	412.74	3.32
9	Tamil Nadu State Transport Corporation (Madurai) Limited	2021-22	1577.78	276.54	5.71
10	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	2021-22	2678.88	260.67	10.28
			14,148.73	**2,780.16**	**5.09:1**

APPENDIX-IV
(As referred to in Para No.1.2.2.4)
PSUs in which interest outstanding on State Government Loans

(₹ in crore)

Sl. No.	Name of the PSU	Outstanding interest on State Government loans	Interest on State Government loans outstanding for less than 1year	Interest on State Government loans outstanding for 1 - 3 years	Interest on State Government loans outstanding for more than 3 years
1	Tamil Nadu Handloom Development Corporation Limited	0.88	0.41	0.47	0.00
2	Tamil Nadu Tea Plantation Corporation Limited	17.12	5.42	11.70	0.00
3	Tamil Nadu Textiles Corporation Limited	1.16	0.38	0.20	0.58
4	Tamil Nadu Sugar Corporation Limited	22.55	10.40	9.82	2.33
5	Perambalur Sugar Mills Limited	56.47	30.86	25.61	0.00
6	Tamil Nadu Minerals Limited	25.39	8.49	16.90	0.00
7	Tamil Nadu Industrial Explosives Limited	85.02	12.58	25.07	47.37
8	Metropolitan Transport Corporation Limited	459.37	148.58	250.56	60.23
9	State Express Transport Corporation Limited	237.91	71.02	118.43	48.46
10	Tamil Nadu State Transport Corporation (Coimbatore) Limited	485.88	0.76	78.26	406.86
11	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	435.51	136.41	299.10	0.00
12	Tamil Nadu State Transport Corporation (Salem) Limited	274.05	0.00	8.10	265.95
13	Tamil Nadu State Transport Corporation (Villupuram) Limited	378.44	0.90	68.75	308.79
14	Tamil Nadu State Transport Corporation (Madurai) Limited	357.20	110.90	186.66	59.64
15	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	348.71	103.44	208.72	36.55
16	Tamil Nadu Generation and Distribution Corporation Limited	1521.29	502.01	970.31	48.97
17	Tamil Nadu Transmission Corporation Limited	83.07	24.59	58.48	0.00
	Total	**4,790.02**	**1,167.15**	**2,337.14**	**1,285.73**

APPENDIX-V
(As referred to in Para No.1.3.1)
List of PSUs which earned profit during 2021-22 in comparison to loss in 2020-21

Sl. No	Name of the PSU
1	Tamil Nadu Medical Services Corporation Limited
2	Tamil Nadu Cements Corporation Limited
3	Tamil Nadu Magnesite Limited
4	Poompuhar Shipping Corporation Limited
5	Tamil Nadu Internet and Connectivity Service Limited
6	CBIC Ponneri Industrial Township Limited

APPENDIX-VI
(As referred to in Para No.1.3.3)
List of PSUs having negative Net Worth as on 31 March 2022

(₹ in crore)

Sl. No	Name of the PSU	Net Profit/ (-)Loss	Net Worth	Paid up Capital
1	Tamil Nadu Tea Plantation Corporation Limited #	-38.57	-240.62	14.96
2	Arasu Rubber Corporation Limited #	10.69	-0.04	13.07
3	Tamil Nadu Sustainable Industrial Water Corporation Limited	-0.03	-0.54	0.05
4	Tamil Nadu Sugar Corporation Limited	-11.92	-12.89	218.24
5	Perambalur Sugar Mills Limited #	-7.58	-136.02	209.10
6	Tamil Nadu Minerals Limited	-16.00	-150.62	15.74
7	Tamil Nadu Industrial Explosives Limited #	-10.65	-222.65	27.03
8	Pallavan Transport Consultancy Services Limited #	-0.18	-1.55	0.10
9	Metropolitan Transport Corporation Limited #	-928.33	-6,516.65	892.90
10	State Express Transport Corporation Limited #	-489.04	-3,052.00	704.02
11	Tamil Nadu State Transport Corporation (Coimbatore) Limited #	-997.23	-6,939.39	984.89
12	Tamil Nadu State Transport Corporation (Kumbakonam) Limited #	-1,026.75	-6,114.65	879.89
13	Tamil Nadu State Transport Corporation (Salem) Limited #	-589.29	-4,181.67	553.66
14	Tamil Nadu State Transport Corporation (Villupuram) Limited #	-960.26	-5,398.14	750.55
15	Tamil Nadu State Transport Corporation (Madurai) Limited #	-777.82	-4,752.35	713.63
16	Tamil Nadu State Transport Corporation (Tirunelveli) Limited #	-853.47	-4,316.16	824.07
17	Arasu Cable TV Corporation Limited	-41.17	-180.73	25.00
18	Tamil Nadu State Marketing Corporation Limited #	-69.92	-352.46	15.00
19	Chennai Industrial Water Utility Company Limited	-0.01	-0.14	0.05
20	Chennai Aerospace Park Limited	-0.07	-0.65	0.05

21	Tamil Nadu Generation and Distribution Corporation Limited #	-11,954.64	-1,05,164.41	20,057.87
22	Tamil Nadu Transmission Corporation Limited	-3,402.27	-3,139.07	5,308.98
	Total	**-22,164.51***	**-150,873.4**	**32,208.85**

#- denotes that these PSUs had negative net worth during all the last five years ending 2021-22
*- includes one PSU Sl.No.2 which earned profit of ₹10.69 crore and 21 PSUs which reported loss of ₹22175.20 crore

APPENDIX-VII
(As referred to in Para No.1.3.4)
Shortfall in dividend declared by PSUs

(₹ in crore)

Sl. No	Name of the PSU	Paid up capital	Profit After Tax	Dividend declared/paid	30 % of Paid up capital	30% Profit after Tax	Minimum Dividend required to be declared	Shortfall
1	Tamil Nadu Handloom Development Corporation Limited	4.29	0.11	--	1.29	0.03	0.03	0.03
2	Tamil Nadu Adi-dravidar Housing and Development Corporation Limited	143.54	4.55	--	43.06	1.37	1.37	1.37
3	Tamil Nadu Backward Classes Economic Development Corporation Limited	12.27	4.11	--	3.68	1.23	3.68	3.68
4	Tamil Nadu Corporation for Development of Women Limited	0.78	2.86	--	0.23	0.86	0.86	0.86
5	Tamil Nadu Minorities Economic Development Corporation Limited	2.05	0.29	--	0.62	0.09	0.09	0.09
6	Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited	3.00	0.33	--	0.90	0.10	0.10	0.10
7	Tamil Nadu Medical Services Corporation Limited	4.04	1.73	--	1.21	0.52	1.21	1.21
8	Tamil Nadu Ex-servicemen's Corporation Limited	0.23	22.15	--	0.07	6.65	6.65	6.65
9	Arasu Rubber Corporation Limited	13.07	10.69	--	3.92	3.21	3.92	3.92
10	Tamil Nadu Industrial Investment Corporation Limited	421.00	82.94	12.63	126.30	24.88	24.88	12.25
11	Tamil Nadu Small Industries Development Corporation Limited	25.14	32.07	--	7.54	9.62	9.62	9.62
12	Tamil Nadu Transport Development Finance Corporation Limited	2,050.81	33.18	1.20	615.24	9.95	9.95	8.75
13	Tamil Nadu Road Infrastructure Development Corporation Limited	5.00	0.29	--	1.50	0.09	0.09	0.09
14	Tamil Nadu Cements Corporation Limited	111.32	117.69	--	33.40	35.31	35.31	35.31
15	Tamil Nadu Magnesites Limited	16.65	14.43	--	5.00	4.33	5.00	5.00
16	Poompuhar Shipping Corporation Limited	20.53	0.68	--	6.16	0.20	0.20	0.20
17	Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited	5.00	1.46	--	1.50	0.44	0.44	0.44
18	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	3767.00	762.35	--	1130.10	228.71	228.71	228.71
	Total							**318.28**

APPENDIX-VIII
(As referred to in Para No.1.4.1)
Value of Production, Total Assets and Capital Employed of PSUs

(₹ in crore)

Sl .No.	Name of the PSU	2019-20			2020-21			2021-22		
		Value of Production	Total Assets	Capital employed	Value of Production	Total Assets	Capital employed	Value of Production	Total Assets	Capital employed
1	Tamil Nadu Fisheries Development Corporation Limited	513.55	68.99	45.02	550.07	82.15	52.78	647.64	84.02	58.38
2	Tamil Nadu Handloom Development Corporation Limited	19.09	30.19	8.45	5.71	60.9	8.59	0.21	64.49	8.60
3	Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited	14.78	4.07	212.88	12.29	389.53	222.64	12.29	389.53	222.64
4	Tamil Nadu Backward Classes Economic Development Corporation Limited	7.39	283.08	199.12	8.74	288.41	202.41	7.40	317.04	221.99
5	Tamil Nadu Corporation for Development of Women Limited	755.24	878.27	43.08	875.82	1073.97	43.79	815.61	1112.79	46.65
6	Tamil Nadu Minorities Economic Development Corporation Limited	6.46	140.74	94.16	6.41	169.37	105.56	6.41	169.37	105.56
7	Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited	-	1,458.04	468.37	0.00	1458.04	417.24	0.00	1458.04	417.24
8	Adyar Poonga	-	0.19	0.02	0.00	0.19	0.02	0.00	0.16	0.02
9	Tamil Nadu Civil Supplies Corporation	2,260.28	8,752.42	72.94	2618.44	15475.13	72.94	2618.44	15475.13	72.94
10	Overseas Manpower Corporation Limited.	0.64	2.67	0.92	0.59	2.86	0.72	0.59	2.86	0.72
11	Tamil Nadu Skill Development Corporation Limited	2.93	207.00	0.21	0.00	219.68	0.21	0.00	197.04	0.05
12	Tamil Nadu Medical Services Corporation Limited	62.49	1,761.03	81.23	63.64	2293.93	70.48	85.91	3192.56	68.17
13	Tamil Nadu Ex-servicemen's Corporation Limited	253.06	224.51	186.73	235.70	250.49	208.58	239.61	268.40	230.73
14	Tamil Nadu Police Housing Corporation Limited	46.77	454.50	61.99	32.95	730.26	59.46	32.92	517.19	57.15
15	Tamil Nadu State Marketing Corporation Limited	20,590.95	2,592.15	-120.25	21389.80	3151.76	-282.63	22733.43	3380.13	-352.46
16	Tamil Nadu Water Resources Conservation and River Restoration Corporation Limited	-	9.91	9.85	0.00	44.2	39.43	0.00	661.70	634.31
17	Tamil Nadu Transmission Corporation Limited	3,085.44	47,912.64	21,660.32	3122.77	47622.92	20067.08	3122.77	47622.92	20067.08
18	Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited	-	-	-	-	-	-	0	16.79	39.96
19	Tamil Nadu Forest Plantation Corporation Limited	110.87	309.78	236.71	125.13	344.87	258.8	117.94	363.89	281.08

Sl .No.	Name of the PSU	2019-20			2020-21			2021-22		
		Value of Production	Total Assets	Capital employed	Value of Production	Total Assets	Capital employed	Value of Production	Total Assets	Capital employed
20	Tamil Nadu Tea Plantation Corporation Limited.	52.14	67.79	-73.77	108.66	86.39	-53.88	64.08	68.82	-76.05
21	Arasu Rubber Corporation Limited	30.12	45.68	-13.33	38.45	56.47	-10.73	44.36	70.71	-0.04
22	Tamil Nadu Industrial Investment Corporation Limited	145.93	1,492.99	870.41	144.11	1703.04	984.3	184.24	2585.35	1696.97
23	Tamil Nadu Small Industries Development Corporation Limited	43.27	340.69	118.26	62.75	414.47	128.19	94.16	534.06	160.25
24	Tamil Nadu Transport Development Finance Corporation Limited	478.74	9,329.38	4,188.37	802.36	14868.52	1744.02	902.54	15002.71	2193.83
25	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	51.55	388.84	338.00	39.31	346.03	176.87	43.55	548.46	387.24
26	Tamil Nadu Industrial Development Corporation Limited	179.13	1,213.37	635.61	157.43	1817.47	606.76	174.57	2576.89	730.57
27	State Industries Promotion Corporation of Tamil Nadu Limited	340.01	5,271.81	1,590.04	1280.82	6916.27	2036.86	988.19	7883.67	2190.22
28	Guindy Industrial Estate Infrastructure Upgradation Company	0.06	0.75	0.01	0.07	0.79	0.01	0.11	0.90	0.03
29	Tamil Nadu Road Infrastructure Development Corporation	3.28	247.83	6.68	4.37	219.23	6.96	4.37	219.23	6.96
30	Tamil Nadu Polymer Industries Park Limited	-	14.47	4.88	0.00	61.59	48.96	0.00	99.78	73.22
31	Tamil Nadu Sustainable Industrial Water Corporation Limited.	-	0.04	0.04	0.00	0.04	0.03	0.00	0.03	-0.54
32	Tamil Nadu Small Industries Corporation Limited	30.81	142.27	108.98	32.97	165.33	112.09	32.97	165.33	112.09
33	Tamil Nadu Textiles Corporation Limited	34.56	39.34	7.47	31.37	39.64	9.63	22.44	34.60	9.62
34	Tamil Nadu Zari Limited	33.56	8.07	3.55	34.38	10.2	5.28	36.92	9.39	6.1
35	Tamil Nadu Handicrafts Development Corporation Limited	35.28	58.05	9.42	23.28	63.1	9.39	29.73	59.33	9.34
36	Tamil Nadu Salt Corporation Limited	35.64	18.88	10.03	35.76	24.29	11.06	20.80	22.69	11.96
37	Tamil Nadu Sugar Corporation Limited	56.67	159.56	15.59	72.85	174.24	4.83	811.69	77.40	-9.78
38	Tamil Nadu Cements Corporation Limited	436.98	970.41	707.63	417.69	955.18	651.42	801.67	942.84	693.16
39	Perambalur Sugar Mills Limited	56.98	142.20	-100.40	56.52	121.51	-124.95	112.80	147.26	-133.8
40	Tamil Nadu Minerals Limited	20.97	126.31	-95.02	35.25	124.72	-15.24	74.70	110.08	-30.29
41	Tamil Nadu Magnesite Limited	6.27	175.04	71.36	3.65	112.14	52.72	60.46	130.14	67.15
42	Tamil Nadu Industrial Explosives Limited	-	14.91	-207.46	0.00	14.91	-205.09	0.00	14.72	-218.12
43	Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited	47.20	81.87	33.10	64.36	148.13	40.97	59.19	159.20	41.99

Sl .No.	Name of the PSU	2019-20			2020-21			2021-22		
		Value of Production	Total Assets	Capital employed	Value of Production	Total Assets	Capital employed	Value of Production	Total Assets	Capital employed
44	Tamil Nadu Paints and Allied Products Limited	2.56	3.56	3.11	3.09	4.58	3.74	-	-	-
45	Tamil Nadu Tourism Development Corporation Limited	116.70	131.94	64.21	43.90	113.39	40.96	78.46	133.03	29.54
46	Poompuhar Shipping Corporation Limited	652.20	266.16	84.32	262.30	234.72	89.45	290.71	236.56	90.13
47	Electronics Corporation of Tamil Nadu Limited	41.83	1,449.30	190.58	46.18	1587.9	239.09	52.19	1511.00	254.66
48	Pallavan Transport Consultancy Services Limited	0.53	2.55	-0.83	0.07	2.68	-1.37	0.35	2.21	-1.55
49	Metropolitan Transport Corporation Limited	1,411.67	1,036.65	-2,778.09	904.89	673.39	-3903.43	1377.22	440.97	-4587.84
50	State Express Transport Corporation Limited	638.77	369.40	-1,116.95	325.69	251.46	-1430.99	460.52	179.29	-1464.4
51	Tamil Nadu State Transport Corporation (Coimbatore) Limited	1,404.52	714.34	-3,169.58	568.52	400.1	-3993.69	1117.88	338.76	-4708.54
52	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	1,848.54	858.46	-2,531.11	893.91	586.59	-3444.59	1496.35	401.28	-4688.6
53	Tamil Nadu State Transport Corporation (Salem) Limited	1,014.41	493.85	-2,140.14	474.75	313.87	-2762.94	835.11	291.01	-3116.12
54	Tamil Nadu State Transport Corporation (Villupuram) Limited	1,884.79	780.41	-2,478.07	875.20	561.63	-3507.97	1517.40	412.74	-4029.83
55	Tamil Nadu State Transport Corporation (Madurai) Limited	1,177.46	725.49	-2,752.58	596.34	544.29	-2726.27	1005.16	276.54	-3174.57
56	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	851.18	440.41	-2,474.32	452.13	229.78	-3157.1	701.90	260.67	-1637.28
57	Tamil Nadu Arasu Cable TV Corporation Limited	330.98	568.51	38.44	437.33	454.84	-139.41	471.98	445.38	-32.99
58	Tamil Nadu FibreNet Corporation Limited	-	157.47	1.25	0.00	160.78	0.15	0.00	237.94	0.05
59	Chennai Industrial Water Utility Company Limited	-	0.16	0.11	0.00	0.03	-0.14	0.00	0.03	-0.14
60	Tamil Nadu Internet and Connectivity Service Limited	-	-	-	0.00	0.49	0.49	0.00	0.50	0.5
61	CBIC Ponneri Industrial Township Limited	-	-	-	0.00	5.05	4.98	0.00	5.19	5.08
62	Chennai Aerospace Park Limited	-	-	-	0.00	65.91	-0.58	0.00	86.92	-0.65
63	Tamil Nadu Working Women's Hostels Corporation Limited	-	-	-	0.00	0.90	0.89	0.00	10.17	0.49
64	Tamil Nadu Warehousing Corporation	73.33	286.83	264.24	73.89	332.34	260.47	76.42	358.47	270.65
65	Tamil Nadu Generation and Distribution Corporation Limited	54,945.03	1,31,634.48	28,017.97	51882.95	157244.35	30089.56	58190.47	164257.60	33751.7
66	TNEB Limited	-	25,008.27	24,605.07	0.00	25758.73	25367.68	0.00	25758.73	25367.68
67	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	3,402.86	39,477.36	4,417.01	3877.01	43487.87	5258.45	4306.98	48512.57	5396.98
68	Udangudi Power Corporation Limited	-	72.04	65.56	0.00	72.05	65.56	0.00	72.05	65.56
69	Tamil Nadu Centre of Excellence for Advanced Manufacturing	-	-	-	-	-	-	0	30.57	9.92
	Total	**99,646.45**	**2,89,918.38**	**69,801.40**	**94,212.62**	**3,35,190.08**	**64,121.55**	**1,06,983.81**	**3,51,001.03**	**67,903.32**

APPENDIX-IX
(As referred to in Para No.1.4.2)
Return on Capital Employed of PSUs

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)
1	Tamil Nadu Fisheries Development Corporation Limited	10.85	45.02	24.10	13.47	52.78	25.52	12.02	58.38	20.59
2	Tamil Nadu Handloom Development Corporation Limited	0.40	8.45	4.73	0.18	8.59	2.10	0.16	8.60	1.86
3	Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited	14.90	212.88	7.00	4.69	222.64	2.11	4.69	222.64	2.11
4	Tamil Nadu Backward Classes Economic Development Corporation Limited	8.98	199.12	4.51	9.62	202.41	4.75	7.73	221.99	3.48
5	Tamil Nadu Corporation for Development of Women Limited	3.88	43.08	9.01	1.74	43.79	3.97	2.86	46.65	6.13
6	Tamil Nadu Minorities Economic Development Corporation Limited	-1.41	94.16	-1.50	2.28	105.56	2.16	2.28	105.56	2.16
7	Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited	46.77	468.37	9.99	43.25	417.24	10.37	43.25	417.24	10.37
8	Adyar Poonga	-	0.02	-	-	0.02	-	-	0.02	-
9	Tamil Nadu Civil Supplies Corporation	298.97	72.94	409.88	535	72.94	733.48	535.00	72.94	733.48
10	Overseas Manpower Corporation Limited.	-0.51	0.92	-55.43	-0.27	0.72	-37.50	-0.27	0.72	-37.50
11	Tamil Nadu Skill Development Corporation Limited	-	0.21	-	0	0.21	0.00	0.00	0.05	0.00
12	Tamil Nadu Medical Services Corporation Limited	-4.03	81.23	-4.96	-1.28	70.48	-1.82	0.27	68.17	0.40
13	Tamil Nadu Ex-servicemen's Corporation Limited	20.51	186.73	10.98	21.85	208.58	10.48	22.15	230.73	9.60
14	Tamil Nadu Police Housing Corporation Limited	13.97	61.99	22.54	0.59	59.46	0.99	1.00	57.15	1.75
15	Tamil Nadu State Marketing Corporation Limited	-47.95	-120.25	-39.88	-119.93	-282.63	42.43	-39.99	-352.46	11.35
16	Tamil Nadu Water Resources Conservation and River Restoration Corporation Limited	-0.18	9.85	-1.83	-0.52	39.43	-1.32	-1.13	634.31	-0.18
17	Tamil Nadu Transmission Corporation Limited	740.46	21,660.32	3.42	-1800.02	20067.08	-8.97	-1800.02	20067.08	-8.97
18	Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited	-	-	-	-	-	-	1.46	39.96	3.65

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)
19	Tamil Nadu Forest Plantation Corporation Limited	30.39	236.71	12.84	36.82	258.8	14.23	30.51	281.08	10.85
20	Tamil Nadu Tea Plantation Corporation Limited.	-20.35	-73.77	-27.59	20.29	-53.88	-37.66	-25.76	-76.05	33.87
21	Arasu Rubber Corporation Limited	-3.17	-13.33	-23.78	2.70	-10.73	-25.16	10.69	-0.04	-26725.00
22	Tamil Nadu Industrial Investment Corporation Limited	96.00	870.41	11.03	117.24	984.3	11.91	171.02	1696.97	10.08
23	Tamil Nadu Small Industries Development Corporation Limited	8.04	118.26	6.80	13.02	128.19	10.16	44.86	160.25	27.99
24	Tamil Nadu Transport Development Finance Corporation Limited	497.12	4,188.37	11.87	782.74	1744.02	44.88	873.25	2193.83	39.80
25	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	48.31	338.00	14.29	34.52	176.87	19.52	25.26	387.24	6.52
26	Tamil Nadu Industrial Development Corporation Limited	213.15	635.61	33.53	139.34	606.76	22.96	274.08	730.57	37.52
27	State Industries Promotion Corporation of Tamil Nadu Limited	391.61	1,590.04	24.63	636.83	2036.86	31.27	302.31	2190.22	13.80
28	Guindy Industrial Estate Infrastructure Upgradation Company	-	0.01	-	0	0.01	0.00	0.02	0.03	66.67
29	Tamil Nadu Road Infrastructure Development Corporation	0.43	6.68	6.44	0.29	6.96	4.17	0.29	6.96	4.17
30	Tamil Nadu Polymer Industries Park Limited	-0.32	4.88	-6.54	0.27	48.96	0.55	0.39	73.22	0.53
31	Tamil Nadu Sustainable Industrial Water Corporation Limited.	-0.04	0.04	-100.00	-0.05	0.03	-166.67	-0.03	-0.54	5.56
32	Tamil Nadu Small Industries Corporation Limited	4.14	108.98	3.80	7.52	112.09	6.71	7.52	112.09	6.71
33	Tamil Nadu Textiles Corporation Limited	1.91	7.47	25.57	0.97	9.63	10.07	1.00	9.62	10.40
34	Tamil Nadu Zari Limited	0.65	3.55	18.31	1	5.28	18.94	1.77	6.10	29.02
35	Tamil Nadu Handicrafts Development Corporation Limited	-0.39	9.42	-4.14	0.11	9.39	1.17	-0.98	9.34	-10.49
36	Tamil Nadu Salt Corporation Limited	-1.75	10.03	-17.45	1.48	11.06	13.38	-3.38	11.96	-28.26
37	Tamil Nadu Sugar Corporation Limited	0.44	15.59	2.82	-0.59	4.83	-12.22	1.62	-9.78	-16.56
38	Tamil Nadu Cements Corporation Limited	-24.74	707.63	-3.50	3.56	651.42	0.55	164.90	693.16	23.79
39	Perambalur Sugar Mills Limited	2.43	-100.40	-2.42	-6.94	-124.95	5.55	11.35	-133.80	-8.48
40	Tamil Nadu Minerals Limited	-68.82	-95.02	-72.43	-31.94	-15.24	209.58	-7.73	-30.29	25.52
41	Tamil Nadu Magnesite Limited	-81.66	71.36	-114.43	-18.34	52.72	-34.79	16.63	67.15	24.77
42	Tamil Nadu Industrial Explosives Limited	-1.63	-207.46	-0.79	16.8	-205.09	-8.19	1.93	-218.12	-0.88

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)
43	Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited	6.13	33.10	18.52	15.64	40.97	38.17	3.07	41.99	7.31
44	Tamil Nadu Paints and Allied Products Limited	0.61	3.11	19.61	0.85	3.74	22.73	-	-	-
45	Tamil Nadu Tourism Development Corporation Limited	8.81	64.21	13.72	-24.89	40.96	-60.77	-11.13	29.54	-37.68
46	Poompuhar Shipping Corporation Limited	5.35	84.32	6.34	-2.33	89.45	-2.60	1.18	90.13	1.31
47	Electronics Corporation of Tamil Nadu Limited	55.57	190.58	29.16	56.09	239.09	23.46	54.60	254.66	21.44
48	Pallavan Transport Consultancy Services Limited	-0.30	-0.83	-36.14	-0.48	-1.37	35.04	-0.18	-1.55	11.61
49	Metropolitan Transport Corporation Limited	-615.66	-2,778.09	-22.16	-1004.07	-3903.43	25.72	-658.81	-4587.84	14.36
50	State Express Transport Corporation Limited	-264.65	-1,116.95	-23.69	-418.58	-1430.99	29.25	-328.38	-1464.40	22.42
51	Tamil Nadu State Transport Corporation (Coimbatore) Limited	-504.53	-3,169.58	-15.92	-1118.66	-3993.69	28.01	-697.76	-4708.54	14.82
52	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	-729.51	-2,531.11	-28.82	-1120.09	-3444.59	32.52	-781.97	-4688.60	16.68
53	Tamil Nadu State Transport Corporation (Salem) Limited	-365.93	-2,140.14	-17.10	-525.23	-2762.94	19.01	-426.58	-3116.12	13.69
54	Tamil Nadu State Transport Corporation (Villupuram) Limited	-430.05	-2,478.07	-17.35	-1085.29	-3507.97	30.94	-757.65	-4029.83	18.80
55	Tamil Nadu State Transport Corporation (Madurai) Limited	-561.73	-2,752.58	-20.41	-848.79	-2726.27	31.13	-540.47	-3174.57	17.02
56	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	-470.35	-2,474.32	-19.01	-627.84	-3157.1	19.89	-612.42	-1637.28	37.40
57	Tamil Nadu Arasu Cable TV Corporation Limited	-22.79	38.44	-59.29	2.32	-139.41	-1.66	-40.87	-32.99	123.89
58	Tamil Nadu FibreNet Corporation Limited	-	1.25	-	2.81	0.15	1873.33	0.04	0.05	80.00
59	Chennai Industrial Water Utility Company Limited	-0.01	0.11	-9.09	-0.13	-0.14	92.86	-0.01	-0.14	7.14
60	Tamil Nadu Internet and Connectivity Service Limited	-	-	-	-0.01	0.49	-2.04	0.01	0.50	2.00
61	CBIC Ponneri Industrial Township Limited	-	-	-	-0.01	4.98	-0.20	0.13	5.08	2.56
62	Chennai Aerospace Park Limited	-	-	-	-0.63	-0.58	108.62	-0.07	-0.65	10.77
63	Tamil Nadu Working Women's Hostels Corporation Limited	-	-	-	-0.11	0.89	-12.36	-0.40	0.49	-81.63
64	Tamil Nadu Warehousing Corporation	37.50	264.24	14.19	39.01	260.47	14.98	33.90	270.65	12.53
65	Tamil Nadu Generation and Distribution Corporation Limited	-2,608.45	28,017.97	-9.31	-2569.44	30089.56	-8.54	-481.87	33751.70	-1.43

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in %)
66	TNEB Limited	-0.99	24,605.07	0.00	-0.99	25367.68	0.00	-0.99	25367.68	0.00
67	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	3,385.47	4,417.01	76.65	3838.76	5258.45	73.00	894.60	5396.98	16.58
68	Udangudi Power Corporation Limited	-	65.56	-	0.00	65.56	0.00	0.00	65.56	0.00
69	Tamil Nadu Centre of Excellence for Advanced Manufacturing	-	-	-	-	-	-	-0.09	9.92	-0.91
	Total	**-878.15**	**69,801.40**	**-1.26**	**-4923.8**	**64121.55**	**-7.68**	**-3659.14**	**67903.32**	**-5.39**

APPENDIX-X
(As referred to in Para No.1.4.3)
Return on Equity of PSUs

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend (₹ in crore)	ROE (in %)
1	Tamil Nadu Fisheries Development Corporation Limited	45.02	8.02	17.81	52.78	10.18	19.29	58.38	8.64	14.80
2	Tamil Nadu Handloom Development Corporation Limited	3.32	0.15	4.52	3.46	0.13	3.76	3.56	0.11	3.09
3	Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited	207.57	14.69	7.08	212.12	4.55	2.15	212.12	4.55	2.15
4	Tamil Nadu Backward Classes Economic Development Corporation Limited	42.50	5.69	13.39	48.51	6.00	12.37	52.62	4.11	7.81
5	Tamil Nadu Corporation for Development of Women Limited	43.08	3.88	9.01	43.79	1.74	3.97	46.65	2.86	6.13
6	Tamil Nadu Minorities Economic Development Corporation Limited	21.67	3.46	15.97	21.77	0.29	1.33	21.77	0.29	1.33
7	Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited	5.27	0.34	6.45	5.60	0.33	5.89	5.60	0.33	5.89
8	Adyar Poonga	0.02	-	-	0.02	-	-	0.02	-	-
9	Tamil Nadu Civil Supplies Corporation	71.74	-	-	71.74	-	-	71.74	-	-
10	Overseas Manpower Corporation Limited.	0.92	-0.51	-55.43	0.72	-0.20	-27.78	0.72	-0.20	-27.78
11	Tamil Nadu Skill Development Corporation Limited	0.21	-	-	0.21	-	-	0.05	-	-
12	Tamil Nadu Medical Services Corporation Limited	7.59	-4.08	-53.75	7.10	-0.50	-7.04	8.82	1.73	19.61
13	Tamil Nadu Ex-servicemen's Corporation Limited	186.73	20.51	10.98	208.58	21.85	10.48	230.73	22.15	9.60
14	Tamil Nadu Police Housing Corporation Limited	61.99	9.75	15.73	59.46	0.39	0.66	57.15	0.69	1.21
15	Tamil Nadu State Marketing Corporation Limited	-120.25	-55.47	46.13	-282.63	-161.46	57.13	-352.46	-69.92	19.84
16	Tamil Nadu Water Resources Conservation and River Restoration Corporation Limited	9.85	-0.15	-1.52	5.00	-0.54	-10.80	5.00	-1.13	-22.60
17	Tamil Nadu Transmission Corporation Limited	-173.39	-1074.48	619.69	-3139.07	-3402.27	108.38	-3139.07	-3402.27	108.38
18	Tamil Nadu Linguistic Minorities Social and Economic	-	-	-	-	-	-	39.96	1.46	3.65

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend (₹ in crore)	ROE (in %)
	Development Corporation Limited									
19	Tamil Nadu Forest Plantation Corporation Limited	236.71	28.67	12.11	258.80	34.62	13.38	281.08	28.78	10.24
20	Tamil Nadu Tea Plantation Corporation Limited.	-210.05	-31.17	14.84	-202.05	8.00	-3.96	-240.62	-38.57	16.03
21	Arasu Rubber Corporation Limited	-13.33	-3.16	23.71	-10.73	2.60	-24.23	-0.04	10.69	-26725.00
22	Tamil Nadu Industrial Investment Corporation Limited	545.41	30.19	5.54	581.30	50.44	8.68	627.92	82.94	13.21
23	Tamil Nadu Small Industries Development Corporation Limited	118.26	5.06	4.28	128.19	9.93	7.75	160.25	32.07	20.01
24	Tamil Nadu Transport Development Finance Corporation Limited	1221.79	12.21	1.00	1744.02	24.07	1.38	2193.83	33.18	1.51
25	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	257.40	29.73	11.55	166.43	23.78	14.29	171.38	10.16	5.93
26	Tamil Nadu Industrial Development Corporation Limited	635.61	182.58	28.73	606.76	118.35	19.51	730.57	252.17	34.52
27	State Industries Promotion Corporation of Tamil Nadu Limited	1590.04	289.09	18.18	2036.86	472.16	23.18	2190.22	204.08	9.32
28	Guindy Industrial Estate Infrastructure Upgradation Company	0.01	-	-	0.01	-	-	0.03	0.02	66.67
29	Tamil Nadu Road Infrastructure Development Corporation	6.68	0.43	6.44	6.96	0.29	4.17	6.96	0.29	4.17
30	Tamil Nadu Polymer Industries Park Limited	4.88	-0.32	-6.56	48.96	0.27	0.55	73.22	0.26	0.36
31	Tamil Nadu Sustainable Industrial Water Corporation Limited.	-0.46	-0.04	8.70	-0.51	-0.05	9.80	-0.54	-0.03	5.56
32	Tamil Nadu Small Industries Corporation Limited	108.98	-15.58	-14.30	112.09	4.71	4.20	112.09	4.71	4.20
33	Tamil Nadu Textiles Corporation Limited	2.04	0.73	35.78	4.52	1.96	43.36	4.61	0.38	8.24
34	Tamil Nadu Zari Limited	3.55	0.41	11.55	5.28	0.61	11.55	6.10	1.29	21.15
35	Tamil Nadu Handicrafts Development Corporation Limited	9.42	-0.60	-6.37	9.39	-0.04	-0.43	9.34	-0.05	-0.54
36	Tamil Nadu Salt Corporation Limited	10.03	-1.31	-13.06	11.06	1.02	9.22	11.96	-3.40	-28.43
37	Tamil Nadu Sugar Corporation Limited	10.28	-6.51	-63.33	-0.97	-11.25	1159.79	-12.89	-11.92	92.47

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend (₹ in crore)	ROE (in %)
38	Tamil Nadu Cements Corporation Limited	17.99	-31.26	-173.76	-35.06	-53.05	151.31	82.64	117.69	142.41
39	Perambalur Sugar Mills Limited	-104.85	-11.34	10.82	-128.44	-23.59	18.37	-136.02	-7.58	5.57
40	Tamil Nadu Minerals Limited	-95.02	-72.58	76.38	-135.57	-40.55	29.91	-150.62	-16.00	10.62
41	Tamil Nadu Magnesite Limited	33.55	-81.46	-242.80	14.91	-18.64	-125.02	29.34	14.43	49.18
42	Tamil Nadu Industrial Explosives Limited	-216.22	-14.12	6.53	-212.00	4.21	-1.99	-222.65	-10.65	4.78
43	Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited	33.10	4.19	12.66	40.97	11.43	27.90	41.99	2.02	4.81
44	Tamil Nadu Paints and Allied Products Limited	3.11	0.45	14.47	3.74	0.63	16.84	-	-	-
45	Tamil Nadu Tourism Development Corporation Limited	59.74	4.32	7.23	36.49	-23.25	-63.72	25.07	-11.39	-45.43
46	Poompuhar Shipping Corporation Limited	84.32	4.44	5.27	81.21	-1.79	-2.20	81.89	0.68	0.83
47	Electronics Corporation of Tamil Nadu Limited	190.46	17.43	9.15	238.97	28.36	11.87	254.66	20.60	8.09
48	Pallavan Transport Consultancy Services Limited	-0.83	-0.30	36.14	-1.37	-0.48	35.04	-1.55	-0.18	11.61
49	Metropolitan Transport Corporation Limited	-4337.65	-816.98	18.83	-5588.32	-1250.66	22.38	-6516.65	-928.33	14.25
50	State Express Transport Corporation Limited	-2011.59	-375.89	18.69	-2562.96	-551.36	21.51	-3052.00	-489.04	16.02
51	Tamil Nadu State Transport Corporation (Coimbatore) Limited	-4619.06	-727.68	15.75	-5912.29	-1367.24	23.13	-6939.39	-997.23	14.37
52	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	-3754.14	-898.82	23.94	-5088.72	-1334.58	26.23	-6114.65	-1026.75	16.79
53	Tamil Nadu State Transport Corporation (Salem) Limited	-2913.51	-502.31	17.24	-3609.66	-696.15	19.29	-4181.67	-589.29	14.09
54	Tamil Nadu State Transport Corporation (Villupuram) Limited	-3177.04	-561.47	17.67	-4438.70	-1261.65	28.42	-5398.14	-960.26	17.79
55	Tamil Nadu State Transport Corporation (Madurai) Limited	-3668.65	-701.79	19.13	-3975.34	-1028.32	25.87	-4752.35	-777.82	16.37
56	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	-3645.29	-645.64	17.71	-4483.86	-838.57	18.70	-4316.16	-853.47	19.77
57	Tamil Nadu Arasu Cable TV Corporation Limited	8.89	-28.88	-324.86	-139.41	-1.17	0.84	-180.73	-41.17	22.78
58	Tamil Nadu FibreNet Corporation Limited	0.50	0.00	0.00	0.15	-0.35	-233.33	0.05	-0.09	-180.00

Sl.No.	Name of the PSU	2019-20			2020-21			2021-22		
		Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend	ROE (in %)	Equity (₹ in crore)	Net Profit after tax and preference dividend (₹ in crore)	ROE (in %)
59	Chennai Industrial Water Utility Company Limited	0.11	-0.01	-9.09	-0.14	-0.13	92.86	-0.14	-0.01	7.14
60	Tamil Nadu Internet and Connectivity Service Limited	-	-	-	0.49	-0.01	-2.04	0.50	0.01	2.00
61	CBIC Ponneri Industrial Township Limited	-	-	-	4.98	-0.02	-0.40	5.08	0.10	1.97
62	Chennai Aerospace Park Limited	-	-	-	-0.58	-0.63	108.62	-0.65	-0.07	10.77
63	Tamil Nadu Working Women's Hostels Corporation Limited	-	-	-	0.89	-0.11	-12.36	0.49	-0.40	-81.63
64	Tamil Nadu Warehousing Corporation	160.99	24.11	14.98	177.87	24.36	13.70	193.21	22.24	11.51
65	Tamil Nadu Generation and Distribution Corporation Limited	-79802.45	-11964.93	14.99	-93209.77	-13407.31	14.38	-105164.41	-11954.64	11.37
66	TNEB Limited	24605.07	-0.99	0.00	25367.68	-0.99	0.00	25367.68	-0.99	0.00
67	Tamil Nadu Power Finance Corporation Limited	4417.01	505.03	11.43	4509.58	396.39	8.79	5396.98	762.35	14.13
68	Udangudi Power Corporation Limited	65.56	-	-	65.56	-	-	65.56	-	-
69	Tamil Nadu Centre of Excellence for Advanced Manufacturing	-	-	-	-	-	-	9.92	-0.09	-0.91
	Total	**-73,714.81**	**-17,424.27**	**--**	**-96,153.17**	**-24,213.26**	**--**	**-1,11,923.89**	**-20544.88**	**--**

APPENDIX-XI
(As referred to in Para No.2.3.2)
Details of accounts in arrears or company under liquidation - PSUs

Sl. No.	Name of the PSU	Year for which Accounts are in arrears
UNLISTED GOVERNMENT COMPANIES		
Working Government Companies		
1	Tamil Nadu Adi-dravidar Housing and Development Corporation Limited	2020-21
2	Tamil Nadu Backward Classes Economic Development Corporation Limited	2021-22
3	Tamil Nadu Minorities Economic Development Corporation Limited	2020-21
4	Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited	2020-21
5	Overseas Manpower Corporation Limited	2021-22
6	Tamil Nadu Civil Supplies Corporation	2021-22
7	Tamil Nadu Small Industries Corporation Limited	2021-22
8	Tamil Nadu Road Infrastructure Development Corporation	2021-22
9	TNEB Limited	2020-21
10	Tamil Nadu Transmission Corporation Limited	2021-22
Working Government Controlled other Companies		
1	Coimbatore Smart City Limited	2021-22
2	Erode Smart City Limited	2021-22
Non working Government Companies		
1	Tamil Nadu Goods Transport Corporation Limited	Under Liquidation

APPENDIX-XII-A
(As referred to in Para 2.5.1.1)
List of PSUs which amended Financial Statements for the year ended 31 March 2022

Sl.No.	Name of the PSU
	Government Companies
1	Tamil Nadu Magnesite Limited
2	Overseas Manpower Corporation Limited
3	Tamil Nadu Polymer Industries Park Limited
4	Tamil Nadu Industrial Development Corporation Limited
	Government Controlled other Companies
1	Tamil Nadu Infrastructure Fund Management Corporation Limited

APPENDIX-XII-B
(As referred to in Para 2.5.1.1)
List of PSUs which amended Financial Statements for the year ended 31 March 2021

Sl.No.	Name of the PSU
	Government Companies
1	Tamil Nadu Backward Classes Economic Development Corporation Limited
2	Overseas Manpower Corporation Limited
3	Tamil Nadu Working Women's Hostels Corporation Limited
4	Tamil Nadu Small Industries Development Corporation Limited
5	Chennai Aerospace Park Limited
	Government Controlled other Companies
1	Tamil Nadu Road Development Company Limited
2	TICEL Bio Park Limited

APPENDIX-XIII-A
(As referred to in Para 2.5.1.2)
List of PSUs where Statutory Auditors' Report revised for the year 2021-22

Sl.No.	Name of the PSU
	Government Companies
1	Tamil Nadu Backward Classes Economic Development Corporation Limited
2	Tamil Nadu Medical Services Corporation Limited
3	Tamil Nadu Ex-servicemen's Corporation Limited
4	Tamil Nadu Forest Plantation Corporation Limited
5	Tamil Nadu Polymer Industries Park Limited
6	Tamil Nadu Industrial Development Corporation Limited
7	Tamil Nadu Cements Corporation Limited
8	Tamil Nadu Magnesite Limited
9	Metropolitan Transport Corporation Limited
10	State Express Transport Corporation Limited
11	Tamil Nadu State Transport Corporation (Kumbakonam) Limited
12	Tamil Nadu State Transport Corporation (Villupuram) Limited
13	Tamil Nadu State Transport Corporation (Madurai) Limited
14	Tamil Nadu State Transport Corporation (Tirunelveli) Limited
15	Electronics Corporation of Tamil Nadu Limited
16	Tamil Nadu Salt Corporation Limited
17	Poompuhar Shipping Corporation Limited
18	Tamil Nadu Water resources conservation and river restoration Corporation
19	Tamil Nadu State Marketing Corporation Limited
	Government Controlled other Companies
1	Tamil Nadu Infrastructure Fund Management Corporation Limited
2	TIDEL Park Limited
3	Vellore Smart City Limited

APPENDIX-XIII-B
(As referred to in Para 2.5.1.2)
List of PSUs where Statutory Auditors' Report revised for the year 2020-21

Sl.No.	Name of the PSU
	Government Companies
1	Tamil Nadu Fisheries Development Corporation Limited
2	Tamil Nadu Adi-dravidar Housing and Development Corporation Limited
3	Metropolitan Transport Corporation Limited
4	State Express Transport Corporation Limited
5	Tamil Nadu State Transport Corporation (Coimbatore) Limited
6	Electronics Corporation of Tamil Nadu Limited
7	Tamil Nadu Cements Corporation Limited
8	Tamil Nadu Small Industries Development Corporation Limited
9	Tamil Nadu Backward Classes Economic Development Corporation Limited
10	Tamil Nadu Working Women's Hostels Corporation Limited
11	Tamil Nadu Forest Plantation Corporation Limited
12	Tamil Nadu Magnesite Limited
13	CBIC Ponneri Industrial Township Limited
14	Chennai Aerospace Park Limited
15	Overseas Manpower Corporation Limited
	Government Controlled other Companies
1	TICEL Bio Park Limited

APPENDIX-XIV
(As referred to in Para 2.5.1.3)
Significant comments of the CAG issued as supplement to the statutory auditors' reports on PSUs

Comments on Financial Position

Sl. No.	Name of the PSU	Comment
1	TANGEDCO (FS for the year 2021-22)	**Property, Plant and Equipment (Note 4) - ₹56,089.37 crore** i) It includes ₹4.27 crore being the value of Pucca and Katcha road and the accumulated depreciation of ₹1.26 crore on the above asset under opening balance in NCES, Udumalpet whereas no such roads exist under the ownership/possession of the NCES, Udumalpet and no documents available in support of the existence of the asset. This has resulted in overstatement of property, Plant and Equipment by ₹3.01 crore. ii) This is also overstated by ₹23.49 crore due to inclusion of expenditure incurred towards strengthening of NPKRR Maaligai constructed on the leased land owned by the TNEB Ltd (Holding Company) which is to be transferred to TNEB Ltd. This has resulted in over statement of property, Plant and Equipment and understatement of receivable from TNEB Ltd by ₹23.49 crore and overstatement of accumulated depreciation by ₹0.92 crore. Consequently, the loss is also overstated by ₹0.92 crore.
2	TANGEDCO (FS for the year 2021-22)	**Capital Work in Progress (Note 4 (a))- ₹41,582.36 crore** i) This is overstated by ₹229.75 crore due to non-capitalization of the assets commissioned/put to use by the various circles of the TANGEDCO prior to 31 March 2022. and non-transfer of TANTRANSCO's share on the cost of SAP which was put to use before March 2022.This has also resulted in understatement of property, Plant and Equipment by ₹196.95 crore, Receivables from TANTRANSCO by ₹17.92 crore and depreciation by ₹14.86 crore. consequently, loss is also understated by ₹14.86 crore. ii) This is also overstated by ₹15.59 crore due to inclusion of Annual Technical Support charges (ATS) paid for the ERP SAP which is to be charged to Repairs and Maintenance and the share of ATS expenditure which is to be transferred to TANTRANSCO. This has resulted in understatement of Repairs and Maintenance by ₹12.70 crore and receivables from TANTRANSCO by ₹2.89 crore and consequently loss is also understated by ₹12.70 crore. iii) It 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 Asset Under Construction (AUC) should be charged off in the profit and loss account. 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. This is understated by ₹7.20 crore due to non-accounting of expenditure incurred by the project circle (Civil Vindipalayam) to the Asset Under Construction (CWIP) resulting in Understatement of Asset under construction and overstatement of expenses by ₹7.20 crore. Consequently, the loss is also overstated to the same extent
3	TANGEDCO (FS for the year 2021-22)	**Inventories (Note 8)- ₹3,056.99 crore** This is overstated by ₹615.01 crore due to non-reversal of journal entry passed in the ERP at the time receipt of material while making payment in respect of coal procured in December 2021(received vide Railway Receipt in December 2021). However, the said bills were once again passed in the manual mode by passing journal voucher and payments were adjusted. This has also resulted in overstatement trade payables by ₹615.01 crore
4	TANGEDCO (FS for the year 2021-22)	**Trade receivable (Note 9)- ₹11,519.88 crore** This is overstated by ₹1,916.32 crore due to excess accounting of unbilled revenue to the extent ₹3,402.03 crore as against the actual unbilled revenue

Sl. No.	Name of the PSU	Comment
		as per LT billing module of ₹1,485.71 crore in respect of LT service connections as at the end of March 2022. This has also resulted in overstatement Revenue from operations with consequent understatement of loss to the extent of ₹1,916.32 crore.
5	TANGEDCO (FS for the year 2021-22)	**Financial Assets: Others (Note 12) - ₹43,130.64 crore** This is understated by ₹8.10 crore due to non-accounting of Generation Based Incentive (GBI) claim receivable from Indian Renewable Energy Development Agency Limited (IREDA) for the year 2021-22 resulting in understatement of other income and overstatement of loss by ₹8.10 crore.
6	TANGEDCO (FS for the year 2021-22)	**Current Tax Asset (Net) (Note 13) - ₹41.14 crore** 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 whereby 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.
7	TANGEDCO (FS for the year 2021-22)	**Other current assets (Note 14) -₹2,497.04 crore.** This is overstated by ₹1.14 crore due to non- provision for the advances Paid to M/s Tamil Nadu steels and M/s Silk Thrissur prior to 2007-08 and the chances of recovery of which is very remote. Non provisioning for the above has resulted in overstatement of other current Assets and understatement of provision for bad debts and under -statement of loss by ₹1.14 crore
8	TANGEDCO (FS for the year 2021-22)	**Note 15- Equity Share Capital – ₹20,057.87 crore** This is understated by ₹3.30 crore due to non-inclusion of Equity Share Capital Assistance extended (23 December 2021) by Government of Tamil Nadu for Dam Rehabilitation and Improvement Project (DRIP) works through TNEB Limited, the Holding Company, which was re-invested by the TNEB Limited in TANGEDCO and for which the shares were allotted to the TNEB on 19 March 2022. This has resulted in understatement of Equity Share Capital and overstatement of Capital Grant Government Schemes under Other Equity by ₹3.30 crore.
9	TANGEDCO (FS for the year 2021-22)	**Other Equity (Note 16)- ₹99,038.19 crore** **i) Hydro Balancing Fund – Nil** This is understated by ₹88.64 crore due to non-creation of provision for Hydro Balancing Fund as per TNERC (Terms and Conditions for Determination of Tariff) (Amendment) Regulations 2006 dated 9 May 2006 when the overall PLF of hydro stations is more than 25 *per cent.* This has resulted in understatement of other earning and Other Expenses by ₹88.64 crore. Consequently, Loss for the year is understated to the same extent. **ii) Other Reserves – ₹15,366.36 crore** This is understated by ₹236.94 crore due to debiting TNEB Pension health Fund instead of the bank account by TANGEDCO while making the payment towards Pension (₹235.90 crore), Terminal Benefits (Gratuity) (₹0.0063 crore), Ex gratia Pension (₹0.89 crore) and non-critical care Finance Assistance Fund (₹0.14 crore). This has resulted in understatement of other reserves and overstatement of Bank balances by ₹236.94 crore. **iii) Reserve for Material Cost-₹98.89 crore (Dr)** It represents the material cost variation prior to implementation of the ERP SAP. However, after implementation of the ERP SAP, the system of issue of materials at standard rate was dispensed with and the materials are issued from the stores at the moving average price as per the significant accounting policies and hence, the amount shown under the above head as on 31 March 2022 should have been withdrawn and charged off to profit and loss account. Non charging of the same has resulted in overstatement

Sl. No.	Name of the PSU	Comment
		of Reserve for material cost and understatement of loss by ₹98.89 crore
10	TANGEDCO (FS for the year 2021-22)	**Financial Liabilities-Trade payables (Note 20)- ₹54,608.18 crore** This is understated by ₹317.80 crore due to non-provision/ short provision of the penal interest payable for the period from May 2019 to June 2021 by TANGEDCO for the delayed remittance of E-Tax of ₹400 crore resulting in understatement of Interest Expense under Finance Cost and loss by ₹317.80 crore.
11	TANGEDCO (FS for the year 2021-22)	**Other Financial Liabilities(Note 21)- ₹26,056.13 crore** i) This is understated by ₹28.86 crore due to short provision of penal interest payable for principal amount due and payable in respect of Ways and Means Advance of ₹1,000 crore obtained from the Government of Tamil Nadu and non-provision of interest payable on Current Consumption Deposit in respect of LT service connections for the year 2021-22 resulting in understatement of Other Financial Liabilities and Finance cost by ₹28.86 crore. Consequently, loss for the year is also understated to the same extent. ii) This is also understated by ₹507.07 crore (debit balance) due to duplication of entries at circle level for Net Salary Paid/Payable for which the entry would be made automatically in the Circle accounts by ERP SAP through HR process. This has resulted in overstatement of other financial liabilities and loss by ₹507.07 crore
12	TANGEDCO (FS for the year 2020-21)	**Property, Plant and Equipment (Note 1-a) - ₹ 58,986.09 crore** (1) Inclusion of assets for a value of ₹19.82 crore to be transferred to TANTRANSCO resulted in overstatement of above head and understatement of amount owing to TANTRANSCO under Trade Payables head by ₹19.82 crore (2) As against the land for a value of ₹18.08 crore allotted to TANGEDCO by the Greater Chennai Corporation (for establishment of substation in lieu of Current Consumption (CC) charges pending), ₹0.78 crore was only accounted (being the CC charges adjusted and journalised) resulting in understatement of above head by ₹17.30 crore. This has also resulted in overstatement of debtors by the like amount. (3) TANGEDCO's assets was overstated by ₹19.49 crore due to capitalisation of works not completed in 2020-21 resulting in understatement of Capital Work in Progress. Resultantly, accumulated depreciation was also overstated by ₹5.11 crore
13	TANGEDCO (FS for the year 2020-21)	**Note 1(b): Capital Work in Progress – ₹ 32,112.27 crore** (1). This included ₹204.28 crore being Interest During Construction (IDC) allocated to Ennore Thermal Power Station which was decommissioned w.e.f. March 2017. It also includes IDC amount of ₹3.65 crore allocated to Sholayar Power House project in 2020-21 after commissioning (commissioned in March 2019). These expenses should have been treated as finance cost. Thus, the above head was overstated, and finance cost was understated by ₹207.93 crore. Also, the loss of the Company was understated by the like amount. **(2)** The above head included ₹2,124.32 crore being the value of works completed during the period from October 2010 to October 2020 under different schemes but omitted to be capitalized and continued as capital works in progress. The above head also included ₹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 this, the above head was overstated, and Property, Plant and Equipment was understated by ₹2,956.53 crore. Resultantly, depreciation and loss of the Company was understated by ₹290.64 crore. (3). This was overstated by ₹117.88 crore due to accounting of Advance

Sl. No.	Name of the PSU	Comment
		Gas Path capital components received for overhauling works which was already accounted as inventory resulting in overstatement of above head and Current Liabilities by ₹117.88 crore.
14	TANGEDCO (FS for the year 2020-21)	**Note 2(a): Investments - ₹ 1,945.95 crore** This included ₹60 crore representing the amount received by TNEB (2005) and passed on to M/s. TIDCO for implementation of Jayamkondan Lignite Project. As TANGEDCO has not invested any funds for the project and TIDCO has possessed the lands acquired for the project, inclusion of ₹60 crore by TANGEDCO under the above head was incorrect which should have been charged to Profit and Loss account. On account of this, the above head of account was overstated, and Expense head understated by ₹60 crore with consequent understatement of loss by this amount.
15	TANGEDCO (FS for the year 2020-21)	**Note 5: Inventories – ₹ 2,687.43 crore** This was understated by ₹16.33 crore due to non-accounting of coal stock at Railway Wagons (1,00,075.5 tons) loaded from mines and not received in ports (in transit) as on 31 March 2021 resulting in understatement of liability by ₹16.33 crore.
16	TANGEDCO (FS for the year 2020-21)	**Note 9(b): Other Equity – (-) ₹89,632.94 crore** (1).This included ₹3.74 crore representing the loss arising out of exchange variance of INR and Forex which should have been charged to P&L account. Accounting the loss under Reserve resulted in overstatement of Other Equity and understatement of Other Expenses by ₹3.74 crore. Consequently, the loss of the Company is understated to that extent. (2).The head 'Other Equity' was understated by ₹29.63 crore being the property insurance reserve (one per cent) created towards the insurance of properties of Valuthur Gas Turbine Power Station. As the gas turbine station's assets are insured with M/s. United India Insurance Ltd., and premium accounted under Insurance head, making a reserve tantamounted to double accounting. This resulted in overstatement of reserves and loss of the Company by ₹29.63 crore.
17	TANGEDCO (FS for the year 2020-21)	**Note 14(b): Trade payables - ₹ 53,060.48 crore** (1).This did not include ₹13.18 crore being the liquidated damages collected from contractors which were subsequently waived by TANGEDCO Board and hence, to be refunded to them. Resultantly, the above head was understated, and miscellaneous income was overstated with consequent understatement of loss by ₹13.18 crore. (2).This was understated by ₹26.58 crore due to non-creation of liability towards shortfall in Annual Minimum Guaranteed Take off of MDP Gas claimed by GAIL for the year 2020-21. Consequently, cost of generation head (Expenses) and loss of the Company were understated by ₹26.58 crore.
18	TANTRANSCO (FS for the year 2020-21)	**Property, Plant and Equipment (Note 4(a)) – ₹32,682.97 crore** (1).This was understated by ₹113.56 crore due to non-capitalisation of value of Sub-stations, transmission lines, power transformer and 11 KV feeders which were completed and commissioned before 31st March 2021.This resulted in understatement of Property, Plant and Equipment and overstatement of Capital Work in Progress by ₹113.56 crore with corresponding understatement of depreciation and loss by ₹4.06 crore.
19	TANTRANSCO (FS for the year 2020-21)	**Capital Work in Progress (Note 4 (a)): ₹14,199.99 crore** This included a sum of ₹197.33 crore being the value of works completed prior to 31st March 2021 but omitted to be capitalized during 2020-21. This resulted in overstatement of Capital Works in Progress and understatement of Property, Plant and Equipment by ₹197.33 crore with corresponding understatement of Depreciation and loss by ₹11.03 crore.

Sl. No.	Name of the PSU	Comment
20	TANTRANSCO (FS for the year 2020-21)	**Financial liabilities- Trade payables (Note 19)- ₹18.90 crore** This was understated by ₹9.42 crore due to non-provision of liability in respect of materials received before the accounting year, for which, payment for 30% of the value was pending as on 31.3.2021. This resulted in understatement of Trade Payables and Capital Work in Progress is also understated by₹9.42 crore.
21	TANTRANSCO (FS for the year 2020-21)	**Other Current Liabilities (Note 22):- ₹ 219.35 crore** **Consumers contribution for Capital Work in Progress - ₹8.65 crore** This was understated by ₹9.03 crore due to non-inclusion of the amount received from HT consumer M/s VIT University, Vellore towards upgradation of supply voltage from 33 KV to 110 KV lines which has been transferred to TANGEDCO Headquarters account. This resulted in understatement of Deposits for DCW and understatement of expenditure reimbursable from TANGEDCO by ₹9.03 crore.
22	TAHDCO (FS for the year 2019-20)	**Current Liabilities – Other Current Liabilities (Note 8) – ₹16.03 crore** This does not include ₹121.43 crore being excess utilization of Special Central Assistance (SCA) for supervision, monitoring and evaluation of economic development schemes implemented by the Company during the period 1990 to 2017. The amount utilized by the Company towards administrative costs was ₹157.84 crore, whereas, only three percent of the total SCA funds released amounting to ₹36.41 crore should have been utilized. Hence, the excess amount of ₹121.43 crore should be refunded to GoI, by making suitable provision in this regard. Non-provision has resulted in understatement of Current Liabilities and over statement of income by ₹121.43 crore. This is a repeat comment since March 2014.
23	TAHDCO (FS for the year 2019-20)	**Current Liabilities – Trade Payables (Note.7) – ₹123.74 crore** This does not include ₹6.08 crore being the interest on Fixed Deposits on the schemes *viz.,* Skill Development Training, Special State Assistance, Special Central Assistance and funds received on account of construction works undertaken by the Company. The interest accumulated during the period 2017 to 2020 from various schemes to be refunded to Government of India and Government of Tamil Nadu amounted to ₹1.58 crore and ₹4.50 crore respectively, for which provision needs to be created. The above head does not include ₹8.53 crore being the interest on Savings Bank Account for the year 2019-20 maintained at 43 units of TAHDCO (including Head Office) on the schemes *viz.,* Skill Development Training, Special State Assistance, Special Central Assistance and funds received on account of construction works undertaken by the Company. As per the instructions of Government of Tamil Nadu, the interest accumulated from the above schemes should be added back to the concerned schemes and the same should be refunded, after completion of the scheme and the Company should not treat it as its own income. Hence, provision needs to be created.
24	TAHDCO (FS for the year 2019-20)	**Current Liabilities: Trade Payables (Note 7) – ₹123.74 crore** **Annexure (D) - Skill Development – ₹35.38 crore** This does not include ₹1.54 crore (₹10.56 lakh unutilized fund *plus* interest earned on unutilized amount of ₹143.11 lakh) being the amount payable to Tamil Nadu Skill Development Corporation. The Company provided only ₹7.41crore as Current Liability under Skill Development Mission – Note 7(D). The difference of ₹1.54 crore needs to be accounted for under Current Liability. As per the guidelines of Government of Tamil Nadu, the Company allocated 10 *per cent* of SCA funds amounting to ₹2.85 crore, as committed expenditure, for training purpose, for the period 2013 to 2020. However, the actual expenditure incurred by the Company during the period was only ₹21.49 crore. The unspent balance amounting to ₹41.35 crore should be refunded to Government of Tamil Nadu and liability should be provided for the same.

Comments on Profitability

Sl. No.	Name of the PSU	Comment
1	TANGEDCO (FS for the year 2021-22)	**Revenue from operations (Note 24)- ₹58,190.47** i) This is overstated by ₹220.97 crore due to accounting of the Transmission charges, Scheduling & System Operating Charges, O&M Charges and Reactive energy charges collected from the wind generators on behalf of TANTRANSCO which is to be transferred to TANTRANSCO. This has also resulted in understatement of Payable to TANTRANSCO and understatement of loss by ₹220.97 crore. ii) This is also 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.
2	TANGEDCO (FS for the year 2021-22)	**Other income (Note 25)- ₹12,256.97 crore** This is understated by ₹182.30 crore due to non-accounting of rebate receivable from Tamil Nadu Power Finance Corporation Limited (TNPFC) for prompt payment of instalments 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.This has also resulted in understatement of Other Financial Assets by ₹182.30 crore with overstatement of loss to the same extent.
3	TANGEDCO (FS for the year 2021-22)	**Cost of Power Purchases (Note 26) - ₹49,829.35 crore** i) This is understated by ₹684.41 crore due to non- accounting of differential inter-state transmission charges and other expenditure reimbursable to central transmission utilities and power generating stations as per the Power Purchase agreement for the period prior to 31 March 2022. This has resulted in understatement of trade payables and losses by ₹684.41 crore. ii) This is also understated by ₹19.44 crore due to non-creation of provision for unutilised banking units and the power supplied by wind generators during the year 2021-22 resulting in understatement of trade payables and loss by ₹19.44 crore iii) This is overstated by ₹33.09 crore due to non-accounting of the transmission charges recoverable from M/s PTC India LTD for shortfall in supply of energy beyond the permitted deviation of 15 % of the approved energy as per Medium Term Open /Access Agreement (MTOA). This has resulted in understatement of trade receivable by ₹33.09 crore. Consequently, loss is also overstated to the same extent. This is overstated by ₹4.41 crore due to inclusion of transmission charges paid to TANTRANSCO on the Allotted Transmission Capacity of M/s Penna Power Limited (53 MW) whereas the PPA has expired on 30 June 2021 and hence, the payment of transmission charges for the above capacity after the expiry date is not required which should be recovered from TANTRANSCO. This has resulted in overstatement of transmission charges and understatement of Expenses reimbursable from TANTRANSCO by ₹4.41 crore. Consequently, loss for the year was overstated to the same extent.
4	TANGEDCO (FS for the year 2021-22)	**Cost of power Generation (Note 27) - ₹7,857.28 crore** i) This is overstated by ₹213.87 crore due to non accounting of the expenditure incurred on various work orders under Asset Under Construction. This has resulted in understatement of Asset Under construction and overstatement Cost of Power Generation and loss by ₹213.87 crore. ii) This is understated by ₹17.03 crore due to non-accounting of Gas purchased from GAIL in January 2022 and amount payable to the Coal companies (M/s MCL and SCCL) for the coal procured by the

Sl. No.	Name of the PSU	Comment
		TANGEDCO during the period from April 2019 to May 2021. This has resulted in understatement of trade payables and loss by ₹17.03 crore.
5	TANGEDCO (FS for the year 2021-22)	**Employee benefits expense (Note 28) -₹9,296.75 crore** This is overstated by ₹10.62. crore due to creation of provision of ₹63.74 crore towards bonus and ex-gratia payable for the year 2021-22 as against the actual payment of ₹53.12 crore resulting in over statement of current liabilities and loss by ₹10.62 crore.
6	TANGEDCO (FS for the year 2021-22)	**Finance Costs (Note 29)- ₹1,1472.77 crore** This is overstated by ₹249.22 crore due to debiting of bank charges account wrongly instead of debiting the HQ mail transfer account and excess provision of Guarantee Charges due to calculation of guarantee charges on half yearly basis instead of on actual daily balance of Guarantee outstanding as envisaged in the Guarantee Order. This has also resulted in overstatement of financial liabilities by ₹247.44 crore and other financial liabilities by ₹1.78 crore. Consequently, the loss for the year is also overstated by ₹249.22 crore.
7	TANGEDCO (FS for the year 2021-22)	**Depreciation and amortization expense (Note 30)- ₹2,858.76 crore** This is understated by ₹20.26 crore due to non-charging of depreciation in respect of the assets of Kovilkalappal GTPP (TKGTPS) resulting in overstatement of property, plant and equipment and loss by ₹20.26 crore.
8	TANGEDCO (FS for the year 2021-22)	**Other Expenses (Note 21)- ₹1,087.17 crore** This is understated by ₹73.46 crore due to non-provision of one *per cent* insurance reserve on the Net Fixed Assets at Generation Circles *viz.,* Thermal Power Stations at North Chennai (I), Mettur (II) and Generation Circles at Erode, Kadamparai and Tirunelveli and short provision of the amount to be paid for the Police Guard Watch and Ward expenses.This has resulted in understatement of Other Reserves by ₹70.90 crore and Other current liabilities by ₹2.56 crore. Consequently, loss for the year was also understated by ₹73.46 crore.
9	TANGEDCO (FS for the year 2020-21)	**Note 19: Other Income - ₹11,505.58 Crore** (1).It includes an amount of ₹7.50 crore being the rebate availed by TANGEDCO on payment of Transmission charges to TANTRANSCO for the period from April 2020 to March 2021. As there was no agreement between TANGEDCO and TANTRANSCO and the rebate availed by TANGEDCO was not accepted by TANTRANSCO because of non-availability of a provision in the Open Access Regulations 2014, treating the same as income was not in order. Due to accountal of the disputed rebate as income, Other Income is overstated, and the current liabilities is understated by ₹7.50 crore. Resultantly, the loss of the Company was also understated by the like amount. (2).This includes ₹5,982.47 crore, being 50 *per cent* of loss for the year 2019-20 receivable from the GoTN towards funding of loss under UDAY scheme, wrongly accounted as revenue grant, instead of depicting as extraordinary item. Despite pointing out last year, the Company continued to exhibit the funding of loss of ₹5,982.47 crore as other income during current year also instead of treating it as extraordinary item, resulting in overstatement of other income and understatement of extraordinary items and loss by ₹5,982.47 crore. (3).It included a sum of ₹103.02 crore being the interest earned from investment of ₹1430.88 crore made in Tamil Nadu Power Finance Corporation Limited towards Pension Corpus Fund which should have been charged to Pension Fund. Similarly, the interest earned during the previous years amounted to ₹306.60 crore was also taken as income which should be reversed. This resulted in overstatement of Other Income and understatement of Other Reserves – Pension Fund by ₹409.62 crore.
10	TANGEDCO (FS for the year	**Note 20: Cost of Power Purchase - ₹47,987.89 crore** (1). This was understated by ₹279.22 crore due to non-accountal of solar

Sl. No.	Name of the PSU	Comment
	2020-21)	power purchased from seven generators during 2020-21 by the Tirunelveli EDC. Non-accountal of solar power purchased resulted in understatement of above head and sundry creditors (trade payables) by ₹279.22 crore. Consequently, the loss for the year was also understated to that extent. (2). It included ₹29.82 crore being the transmission charges paid to TANTRANSCO for the period from April 2020 to March 2021 in respect of Ennore Thermal Power station. The thermal power station was closed in 2017 and payment of transmission charges for a closed power plant is not in order and the amount should be claimed from TANTRANSCO. Due to accountal of ineligible transmission charges from April 2017 to March 2021, the account head Transmission charges payable to TANTRANSCO was overstated by ₹119.37 crore and the current Assets is understated to the same extent. Consequently, the accumulated loss of the Company was also overstated by ₹119.37 crore. (3). This was understated by ₹474.72 crore due to withdrawal of provision made to Neyveli Lignite Corporation (NLC) towards lignite price revision for the period from April 2014 to February 2017 resulting in understatement of liabilities and loss of the Company by ₹474.72 crore. (4). Under the Power Purchase Agreement with M/s. PPN, TANGEDCO had agreed (30 March 2020) to pay fixed charges due for the period from June 2017 to January 2020 vide monthly invoices as claimed by M/s. PPN amounting to ₹530 crore (after a discount of ₹120 crore) which was to be paid in 30 instalments. Out of this amount, ₹80 crore was paid between March 2020 and December 2020 on various dates. For the balance amount of ₹450 crore, no provision has been made in the books of accounts. As a result, the above head of account and the Liability head were understated by ₹450 crore. Consequently, loss of the Company was also understated to the same extent. (5). Due to non-accounting of wind power purchase for the months of February and March 2021 in respect of Tirunelveli EDC, the Cost of Power Purchase and liability heads were understated with consequent understatement of loss by ₹24.08 crore.
11	TANGEDCO (FS for the year 2020-21)	**Note 22: Employee Benefit Expenses - ₹ 9,144.15 crore** This was understated by ₹15.58 crore due to non-provision for the deduction made from the staff towards National Health Insurance Scheme (NHIS) from November 2020 to March 2021 which was payable to the Insurance Company. Resultantly, liability to Insurance Company and the loss was understated by ₹15.58 crore.
12	TANGEDCO (FS for the year 2020-21)	**Note 23: Finance Costs - ₹ 10,837.87 crore** This included ₹12.08 crore being the provision created during 2019-20 towards interest on Current Consumption Deposit (CCD) and paid to consumers. While making provision for 2020-21, provision for 2019-20 was again made resulting in overstatement of above head and loss of the Company by ₹12.08 crore.
13	TANGEDCO (FS for the year 2020-21)	**Note24: Depreciation and amortisation expenses- ₹2,814.03 crore** This was understated by ₹2.15 crore due to non-provision of depreciation in respect of assets valuing ₹68.05 crore commissioned / put to use prior to 2020-21 resulting in understatement of loss to the same extent.
14	TANGEDCO (FS for the year 2020-21)	**Note 25: Other Expenses – ₹676.57 crore** This was understated by ₹13.94 crore due to non-provision of repair and maintenance expenses of Gas Turbine (GT) incurred before March 2021, but payment made subsequently. This resulted in understatement of current liabilities, with consequent understatement of loss of the Company by ₹13.94 crore.
15	TANTRANSCO (FS for the year 2020-21)	**Revenue from Operation: - (Note 23) ₹3,122.77 crore** **Transmission charges (Note 23)- ₹2,895.04 Crore** TANTRANSCO collects transmission charges based on the tariff rate of ₹3,037.30 per MW per day as determined by TNERC in August 2017 for

Sl. No.	Name of the PSU	Comment
		MTOA and LTOA capacity of 28122 MW. Even though the actual allotted transmission capacity for MTOA and LTOA increased from 28122 MW to 30829 MW for the financial years 2018-19 to 2020-21, TANTRANSCO continued to claim transmission charges for the originally allotted transmission capacity (28122 MW) fixed by TNERC during August 2017 which resulted in short collection of revenue to the extent of ₹547.77 crore. As a result, transmission charges was understated, and loss was overstated by ₹547.77 crore.
16	TANTRANSCO (FS for the year 2020-21)	**Other Income – (Note 24): ₹268.29 crore** It included ₹1.35 crore being the devolution value of 500 MVA transformer which should have been accounted under Property, Plant and Equipment. This resulted in overstatement of Other Income and understatement of Property, Plant and Equipment by ₹1.35 crore with corresponding understatement of Loss.

Source: Comments of CAG in respect of respective PSUs.

APPENDIX-XV-A
(As referred to in Para No. 2.7)
Details of PSUs where there were non-compliance with Accounting Standards/ IND Accounting Standards (IND AS) as reported by the Statutory Auditors for the year 2020-21

Sl. No.	Name of the PSU	Category (Listed/ Unlisted)	Government Company (GC)/ Government Controlled Other Company (GCC)	Number of Accounting Standard (AS)/Ind AS
1	Tamil Nadu Handloom Development Corporation Limited	Unlisted	GC	AS-4,9,15, 28 and 29
2	Tamil Nadu Adi-dravidar Housing and Development Corporation Limited	Unlisted	GC	AS-3, 12 and 29
3	State Industries Promotion Corporation of Tamil Nadu Limited	Unlisted	GC	IND AS 116
4	Tamil Nadu Minerals Limited	Unlisted	GC	IND AS-19,21,36,113,115 and 116
5	Tamil Nadu Civil Supplies Corporation	Unlisted	GC	AS-3,10,12,15,16,28 and 29
6	Metropolitan Transport Corporation Limited	Unlisted	GC	AS-9, 15 and 22
7	State Express Transport Corporation Limited	Unlisted	GC	AS 15
8	Tamil Nadu State Transport Corporation (Madurai) Limited	Unlisted	GC	AS 15
9	Tamil Nadu State Transport Corporation (Coimbatore) Limited	Unlisted	GC	AS 15
10	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	Unlisted	GC	AS 15
11	Tamil Nadu State Transport Corporation (Salem) Limited	Unlisted	GC	AS 15
12	Tamil Nadu State Transport Corporation (Villupuram) Limited	Unlisted	GC	AS 15
13	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	Unlisted	GC	AS 15
14	Tamil Nadu Textiles Corporation Limited		GC	AS-4,13,22 and 28
15	Tamil Nadu Generation and Distribution Corporation Limited #	Unlisted	GC	AS-2, 10,15, 16, and 20
16	Tamil Nadu Transmission Corporation Limited	Unlisted	GC	Ind AS 24 and 108.
17	TNEB Limited #	Unlisted	GC	IND AS-1,8,12,16,27,36,37 and 109

#- These Companies have not prepared their financial statements in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and consequently, they have not complied with the Ind AS/ AS mentioned.

APPENDIX-XV-B
(As referred to in Para No. 2.7)
Details of PSUs where there were non-compliance with Accounting Standards/ IND Accounting Standards (IND AS) as reported by the Statutory Auditors for the year 2021-22

Sl. No.	Name of the PSU	Category (Listed/ Unlisted)	Government Company (GC)/ Government Controlled Other Company (GCC)	Number of Accounting Standard (AS)/Ind AS
1	Tamil Nadu Handloom Development Corporation Limited	Unlisted	GC	AS-4,9,15, 28 and 29
2	Tamil Nadu Forest Plantation Corporation Limited	Unlisted	GC	IND AS-16, 20 and 41
3	State Industries Promotion Corporation of Tamil Nadu Limited	Unlisted	GC	IND AS 116
4	Tamil Nadu Minerals Limited	Unlisted	GC	IND AS- 19,36,113,115 and 116
5	Tamil Nadu Textiles Corporation Limited	Unlisted	GC	AS-13 and 28
6	TIDEL Park Limited	Unlisted	GCC	IND AS 115
7	TIDEL Park Coimbatore Limited	Unlisted	GCC	IND AS-116
8	Poompuhar Shipping Corporation Limited	Unlisted	GC	AS 3
9	Tamil Nadu State Transport Corporation (Madurai) Limited	Unlisted	GC	AS 15
10	Vellore Smart City Limited	Unlisted	GCC	AS-3
11	Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) #	Unlisted	GC	AS-2, 10 and 16

TANGEDCO has not prepared their financial statements in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and consequently, they have not complied with the Ind AS/ AS mentioned.

APPENDIX-XVI
(As referred to in Para No. 2.8)
List of PSUs where Management Letters issued by CAG

Sl. No.	Name of the PSU
1	Tamil Nadu Fisheries Development Corporation Limited
2	Tamil Nadu Handloom Development Corporation Limited
3	Tamil Nadu Backward Classes Economic Development Corporation Limited
4	Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited
5	Tamil Nadu Civil Supplies Corporation
6	Tamil Nadu Medical Services Corporation Limited
7	Tamil Nadu Ex-servicemen's Corporation Limited
8	Tamil Nadu Tea Plantation Corporation Limited
9	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
10	Tamil Nadu Infrastructure Fund Management Corporation Limited
11	State Industries Promotion Corporation of Tamil Nadu Limited
12	TICEL Bio Park Limited
13	Tamil Nadu Road Development Company Limited
14	Tamil Nadu Cements Corporation Limited
15	Tamil Nadu Sugar Corporation Limited
16	Perambalur Sugar Mills Limited
17	Tamil Nadu Minerals Limited
18	Poompuhar Shipping Corporation Limited
19	Tamil Nadu State Marketing Corporation Limited
20	Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited
21	Tamil Nadu Generation and Distribution Corporation Limited

APPENDIX-XVII
(Referred to in Para No.3.2.1)
PSUs which did not comply with section 173 (1) of the Companies Act, 2013 with respect to conduct of Board meetings during 2021-22

Sl. No.	Name of the PSU
1	Tamil Nadu Fisheries Development Corporation Limited
2	Tamil Nadu Handloom Development Corporation Limited
3	Tamil Nadu Backward Classes Economic Development Corporation Limited
4	Tamil Nadu Corporation for Development of Women Limited
5	Overseas Manpower Corporation Limited
6	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
7	Tamil Nadu Industrial Development Corporation Limited
8	Guindy Industrial Estate Infrastructure Upgradation Company
9	Tamil Nadu Road Infrastructure Development Corporation
10	Tamil Nadu Small Industries Corporation Limited
11	Tamil Nadu Textiles Corporation Limited
12	Tamil Nadu Zari Limited
13	Tamil Nadu Minerals Limited
14	Pallavan Transport Consultancy Services Limited
15	Tamil Nadu Skill Development Corporation Limited
16	Tamil Nadu Arasu Cable TV Corporation Limited
17	Tamil Nadu FibreNet Corporation Limited
18	Tamil Nadu Working Women's Hostels Corporation Limited
19	Tamil Nadu Internet and Connectivity Service Limited
20	Tamil Nadu Warehousing Corporation

APPENDIX-XVIII
(Referred to in para 3.2.2)
PSUs which did not have prescribed number of Independent Directors

Sl. No.	Name of the PSU	Total No. of Directors	Required No. of Independent Directors	Actual No. of Independent Directors	Shortfall in No. of Independent directors
1	Tamil Nadu Generation and Distribution Corporation Limited	9	2	--	2
2	TNEB Limited	9	2	--	2
3	Tamil Nadu Medical Services Corporation Limited	9	2	--	2
4	Tamil Nadu Backward Classes Economic Development Corporation Limited	9	2	--	2
5	Tamil Nadu Fisheries Development Corporation Limited	5	2	--	2
6	Tamil Nadu Tea Plantation Corporation Limited	6	2	--	2
7	Tamil Nadu Forest Plantation Corporation Limited	7	2	--	2
8	Tamil Nadu Arasu Cable TV Corporation Limited	8	2	--	2
9	Tamil Nadu Ex-servicemen's Corporation Limited	11	2	1	1
10	Tamil Nadu Warehousing Corporation	10	2	1	1

APPENDIX-XIX
(Referred to in para 3.3.3)
PSUs in which Independent Directors did not attend 75 *per cent* of the Board/Committee meetings

Sl. No.	Name of the PSU	No. of independent directors who did not attend Board meetings	No. of independent directors who did not attend Board committee meetings
1	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	1	-
2	Tamil Nadu Transport Development Finance Corporation Limited	--	1
3	TIDEL Park Limited	1	--

APPENDIX-XX
(Referred to in para 3.3.4)
PSUs in which Independent Directors did not attend General meetings

Sl. No.	Name of the PSU	No. of independent directors who did not attend AGM
1	Tamil Nadu Industrial Investment Corporation Limited	1
2	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	1
3	Tamil Nadu Industrial Development Corporation Limited	1
4	State Industries Promotion Corporation of Tamil Nadu Limited	2
5	Tamil Nadu Infrastructure Fund Management Corporation Limited	1
6	TICEL Bio Park Limited	1

APPENDIX-XXI
(Referred to in Para 3.3.5)
PSUs where separate meetings of Independent Directors were not conducted

Sl. No.	Name of the PSU
1	TIDEL Park Limited, Chennai
2	Tamil Nadu Corporation for Development of Women Limited
3	Tamil Nadu Industrial Explosives Limited
4	Poompuhar Shipping Corporation Limited
5	Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited
6	Tamil Nadu Transport Development Finance Corporation Limited
7	Tamil Nadu Small Industries Corporation Limited
8	Tamil Nadu Tourism Development Corporation Limited
9	Metropolitan Transport Corporation Limited
10	State Express Transport Corporation Limited
11	Tamil Nadu State Transport Corporation (Madurai) Limited
12	Tamil Nadu State Transport Corporation (Villupuram) Limited
13	Tamil Nadu State Transport Corporation (Coimbatore) Limited
14	Tamil Nadu State Transport Corporation (Kumbakonam) Limited

APPENDIX-XXII
(Referred to in Para 3.4.1)
PSUs in which vacancies of whole time Key Managerial Personnel were not filled within the period of six months

Sl. No.	Name of the PSU
1	Tamil Nadu Backward Classes Economic Development Corporation Limited
2	Tamil Nadu Small Industries Development Corporation Limited
3	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
4	Tamil Nadu Magnesite Limited
5	State Express Transport Corporation Limited
6	Tamil Nadu State Transport Corporation (Coimbatore) Limited
7	Tamil Nadu State Transport Corporation (Salem) Limited
8	Tamil Nadu State Transport Corporation (Madurai) Limited
9	Tamil Nadu State Transport Corporation (Tirunelveli) Limited

APPENDIX -XXIII
(Referred to in Para 3.5.1)
PSUs which did not comply with BPE guidelines regarding formation of Audit Committee

Sl. No.	Name of the PSU
1	Tamil Nadu Skill Development Corporation Limited
2	Overseas Manpower Corporation Limited
3	Guindy Industrial Estate Infrastructure Upgradation Company
4	Tamil Nadu Sustainable Industrial Water Corporation Limited,
5	Tamil Nadu Zari Limited
6	Tamil Nadu Handicrafts Development Corporation Limited
7	Pallavan Transport Consultancy Services Limited,
8	Chennai Industrial Water Utility Company Limited
9	Tamil Nadu Internet and Connectivity Service Limited
10	Chennai Aerospace Park Limited
11	Tamil Nadu Working Women's Hostels Corporation Limited
12	Nilakkottai Food Park Limited
13	Tamil Nadu Polymer Industries Park Limited

APPENDIX-XXIV
(Referred to in Para 3.5.1)
PSUs where majority of Audit Committee members were not independent directors

Sl. No.	Name of the PSU	Total number of directors in the Audit Committee	Number of independent directors in the Audit Committee
1	Tamil Nadu Generation and Distribution Corporation Limited	4	0
2	Tamil Nadu Transmission Corporation Limited	4	0
3	TNEB Limited	4	0
4	Udangudi Power Corporation Limited	3	0
5	Tamil Nadu Tea Plantation Corporation Limited	3	0
6	Tamil Nadu Fisheries Development Corporation Limited	3	0
7	Tamil Nadu Corporation for Development of Women Limited	3	0
8	Tamil Nadu Arasu Cable TV Corporation Limited	2	0
9	Tamil Nadu Ex-servicemen's Corporation Limited	4	1
10	Tamil Nadu Tourism Development Corporation Limited	2	1
11	Tamil Nadu Warehousing Corporation	3	1
12	Electronics Corporation of Tamil Nadu Limited	4	0
13	Tamil Nadu Forest Plantation Corporation Limited	3	0

APPENDIX-XXV
(Referred to in Para 3.5.3)
PSUs where Auditors performance was not monitored by the Audit Committee

Sl. No.	Name of the PSU
1	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited
2	Tamil Nadu Industrial Explosives Limited
3	State Express Transport Corporation Limited
4	Tamil Nadu Tea Plantation Corporation Limited
5	Tamil Nadu Forest Plantation Corporation Limited
6	Tamil Nadu Small Industries Corporation Limited
7	Tamil Nadu Industrial Investment Corporation Limited

APPENDIX-XXVI
(Referred to in Para 3.5.4.1)
Review of Information/Documents by Audit Committee

Sl. No.	Name of the PSU	Whether review of management discussion and analysis of financial and operation results done by Audit committee	Whether review of statement of related party transactions submitted by management done by Audit Committee	Whether review of management letters / letters of internal financial control weaknesses by statutory auditors done by Audit Committee	Whether review of internal Audit reports done by Audit committee
1	Poompuhar Shipping Corporation Limited	Yes	No	No	Yes
2	Tamil Nadu Cements Corporation Limited	No	No	Yes	Yes
3	Tamil Nadu Industrial Explosives Limited	Yes	Yes	No	No
4	Tamil Nadu Forest Plantation Corporation Limited	No	No	No	No
5	Tamil Nadu Tea Plantation Corporation Limited	No	No	No	Yes
6	Tamil Nadu Transport Development Finance Corporation Limited	No	No	No	Yes
7	Tamil Nadu Industrial Investment Corporation Limited	No	No	No	No
8	Udangudi Power Corporation Limited	Yes	No	No	Yes

Sl. No.	Name of the PSU	Whether review of management discussion and analysis of financial and operation results done by Audit committee	Whether review of statement of related party transactions submitted by management done by Audit Committee	Whether review of management letters / letters of internal financial control weaknesses by statutory auditors done by Audit Committee	Whether review of internal Audit reports done by Audit committee
9	Tamil Nadu Small Industries Corporation Limited	Yes	No	No	Yes
10	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	No	No	No	No
11	State Express Transport Corporation Limited	No	No	No	No
12	Tamil Nadu Fisheries Development Corporation Limited	No	No	No	Yes

APPENDIX-XXVII
(Referred to in Para 3.5.4.2)
PSUs where Audit Committee did not hold discussions with statutory auditors before commencement of audit

Sl. No.	Name of PSU
1	Tamil Nadu Generation and Distribution Corporation Limited
2	Tamil Nadu Transmission Corporation Limited
3	TNEB Limited
4	Tamil Nadu Industrial Explosives Limited
5	Tamil Nadu Forest Plantation Corporation Limited
6	Tamil Nadu Transport Development Finance Corporation Limited
7	State Express Transport Corporation Limited
8	Udangudi Power Corporation Limited
9	Tamil Nadu Fisheries Development Corporation Limited
10	Tamil Nadu Industrial Investment Corporation Limited
11	Tamil Nadu Small Industries Corporation Limited

APPENDIX -XXVIII
(Referred to in Para 3.6.1)
PSUs which did not constitute Nomination and Remuneration Committee

Sl.No.	Name of the PSU
1	Tamil Nadu Generation and Distribution Corporation Limited
2	Tamil Nadu Transmission Corporation Limited
3	TNEB Limited
4	Udangudi Power Corporation Limited
5	Tamil Nadu Forest Plantation Corporation Limited
6	Tamil Nadu Backward Classes Economic Development Corporation Limited
7	Tamil Nadu Industrial Explosives Limited
8	Electronics Corporation of Tamil Nadu Limited
9	Tamil Nadu Minerals Limited
10	Tamil Nadu Corporation for Development of Women Limited
11	Tamil Nadu Arasu Cable TV Corporation Limited
12	Tamil Nadu Fisheries Development Corporation Limited
13	Tamil Nadu Medical Services Corporation Limited
14	Tamil Nadu Tea Plantation Corporation Limited
15	Tamil Nadu Polymer Industries Park Limited
16	Tamil Nadu State Transport Corporation (Coimbatore) Limited
17	Tamil Nadu State Transport Corporation (Kumbakonam) Limited
18	Tamil Nadu State Transport Corporation (Salem) Limited
19	Tamil Nadu State Transport Corporation (Villupuram) Limited
20	Tamil Nadu State Transport Corporation (Madurai) Limited
21	Tamil Nadu State Transport Corporation (Tirunelveli) Limited
22	Tamil Nadu Warehousing Corporation

APPENDIX-XXIX
(Referred to in Para 3.6.2)
PSUs which did not have whistle blower mechanism

Sl. No.	Name of PSU	Whistle Blower mechanism
1	Tamil Nadu Backward Classes Economic Development Corporation Limited	No
2	Tamil Nadu Medical Services Corporation Limited	No
3	Tamil Nadu Transport Development Finance Corporation Limited	No
4	Metropolitan Transport Corporation Limited	No
5	State Express Transport Corporation Limited	No
6	Tamil Nadu State Transport Corporation (Coimbatore) Limited	No
7	Tamil Nadu Minorities Economic Development Corporation Limited	No
8	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	No
9	Tamil Nadu Industrial Investment Corporation Limited	No
10	Tamil Nadu Transmission Corporation Limited	No
11	TNEB Limited	No
12	Tamil Nadu Generation and Distribution Corporation Limited	No

APPENDIX-XXX
(As referred to in Para No.4.3)
List of PSUs reviewed for CSR activities

Sl. No.	Name of the PSU
1	Tamil Nadu Fisheries Development Corporation Limited
2	Tamil Nadu Ex-Servicemen Corporation Limited
3	Tamil Nadu Forest Plantation Corporation Limited
4	Tamil Nadu Industrial Investment Corporation Limited
5	Tamil Nadu Small Industries Development Corporation Limited
6	Tamil Nadu Transport Development Finance Corporation Limited
7	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
8	Tamil Nadu Industrial Development Corporation Limited
9	State Industries Promotion Corporation of Tamil Nadu Limited
10	TIDEL Park Limited
11	TIDEL Park Coimbatore Limited
12	TICEL Bio Park Limited
13	Tamil Nadu Newsprint and Papers Limited
14	Electronics Corporation of Tamil Nadu Limited
15	Tamil Nadu Warehousing Corporation
16	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited

APPENDIX-XXXI

(As referred to in Para No. 4.5.2.2)
List of PSUs which spent more than 2 *per cent*

(₹ in crore)

Sl. No	Name of the PSU	2 *per cent* to be spent	Actual spent from current year budget	Amount spent (in crore) over prescribed 2 *per cent*
1	Tamil Nadu Ex-Servicemen Corporation Limited	0.43	0.80	0.37
2	Tamil Nadu Small Industries Development Corporation Limited	0.16	0.20	0.04
3	Tamil Nadu Newsprint and Papers Limited	1.70	3.48	1.78
4	State Industries Promotion Corporation of Tamil Nadu Limited	8.10	8.17	0.07
5	Tamil Nadu Industrial Development Corporation Limited	0.78	0.89	0.11
6	TIDEL Park Coimbatore Limited	0.13	0.15	0.02
	Total	**11.30**	**13.69**	**2.39**

APPENDIX-XXXII

(As referred to in Para No. 4.5.2.2)
List of PSUs which had shortfall of CSR spent

(₹ in crore)

Sl. No	Name of the PSU	2 *per cent* to be spent	Actual spent from current year budget	Short fall in Amount	Short fall in Percentage
1	Tamil Nadu Forest Plantation Corporation Limited	0.65	0.40	0.25	38.46

APPENDIX-XXXIII
(As referred to in Para No. 4.5.2.6)
List of PSUs which spent CSR less than ₹one crore

Sl. No.	Name of the PSU
1	Tamil Nadu Fisheries Development Corporation Limited
2	Tamil Nadu Ex-Servicemen Corporation Limited
3	Tamil Nadu Forest Plantation Corporation Limited
4	Tamil Nadu Industrial Development Corporation Limited
5	Tamil Nadu Small Industries Development Corporation Limited
6	Tamil Nadu Transport Development Finance Corporation Limited
7	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
8	TICEL Bio Park Limited
9	TIDEL Park Coimbatore Limited
10	Tami Nadu Warehousing Corporation

APPENDIX-XXXIV
(As referred to in Para No. 4.5.3.4)
List of PSUs which had CSR spent in Local Areas

(₹ in crore)

Sl. No	Name of the PSU	Actual CSR Spent	Spent for		
			Local Area	Non Local Area	Others
1	Tamil Nadu Fisheries Development Corporation Limited	0.25	0.25	0.00	0.00
2	Tamil Nadu Ex-Servicemen Corporation Limited	0.99	0.00	0.00	0.99
3	Tamil Nadu Forest Plantation Corporation Limited	0.95	0.29	0.66	0.00
4	Tamil Nadu Industrial Investment Corporation Limited	1.08	0.00	0.00	1.08
5	Tamil Nadu Small Industries Development Corporation Limited	0.20	0.20	0.00	0.00
6	Tamil Nadu Transport Development Finance Corporation Limited	0.52	0.00	0.00	0.52
7	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited	0.66	0.00	0.00	0.66
8	Tamil Nadu Industrial Development Corporation Limited	0.89	0.00	0.00	0.89
9	State Industries Promotion Corporation of Tamil Nadu Limited	12.43	5.80	0.00	6.63
10	TIDEL Park Limited	1.42	0.59	0.83	0.00
11	TIDEL Park Coimbatore Limited	0.15	0.15	0.00	0.00
12	TICEL Bio Park	0.15	0.00	0.15	0.00
13	Tamil Nadu Newsprint and Papers Limited	3.48	3.48	0.00	0.00
14	Electronics Corporation of Tamil Nadu Limited	2.61	2.61	0.00	0.00
15	Tamil Nadu Warehousing Corporation	0.23	0.23	0.00	0.00
16	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	11.12	0.00	0.00	11.12
	Total	**37.13**	**13.60**	**1.64**	**21.89**

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