



## TAMILNADU TELECOMMUNICATIONS LIMITED

(A Joint venture of TCIL, a Govt. of India Enterprise &  
TIDCO, a Govt. of Tamilnadu Enterprises)

**OPTICAL FIBRE CABLE DIVISION**



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TTL/NSE/BSE/2018-19

13.02.2019

To The Manager, M/s.National Stock Exchange Of India Limited, "Exchange Plaza", Bandra Kurla Complex, Bandara (East), MUMBAI – 400 051 Scrip Code: TNELE	To The Manager, Bombay Stock Exchange Limited, Floor No. 25, PJ Towers, Dalal Street, MUMBAI – 400 001 Scrip Code:523419
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Dear Sir/Madam,

SUB: Un-audited Financial Results of M/s. Tamilnadu Telecommunications Limited for the quarter and Nine Months ended 31.12.2018.

With reference to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting held on 13.02.2019 (Wednesday) at 03.00 p.m, the Board of Directors of M/s. Tamilnadu Telecommunications Limited has approved the un-audited results of the Company for the quarter ended 31.12.2018. Please find enclosed herewith the following for your information and records:

- 1) Duly authenticated Statement of the the Unaudited Fianancial results of the Company for the quarter and Nine Months ended 31.12.2018 along with other relevant periods, as per the SEBI prescribed format.

Kindly takeabove information on record.

Thanking You,  
Yours Faithfully,  
Thanking you,

Yours faithfully,

*Sanjeev kumar kesari*

Sanjeev Kumar Kesari  
Managing Director  
DIN 08082217



Registered Office : No.16, 1<sup>st</sup> Floor, Aziz Mulk 3<sup>rd</sup> Street, Thousand Lights, Chennai - 600 006.

Phone : (044) 28292653

**TAMILNADU TELECOMMUNICATIONS LIMITED**

(A Joint Venture of TCIL, Govt. of India Enterprise & TIDCO, Govt. of Tamilnadu Enterprise)  
 Regd. Office: No.16, 1st Floor, Aziz Mulk 3rd Street, Thousand Lights, Chennai - 600 006  
 CIN : L32201TN1988PLC015705, TEL : 044 28292653, email : ttlosec@gmail.com, website : www.ttlofc.in  
 Statement of Unaudited Financial Results for the Quarter and Nine months ended December 31, 2018

S.no	Particulars	Amount in Rupees in Hundreds					
		Quarter ended on			Nine months ended on		Year ended on
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
I	Revenue from operations	(0)	-	-	-	160,689	160,689
II	Other income	1,272	37	666	2,103	1,647	3,849
III	<b>Total Income (I+II)</b>	<b>1,272</b>	<b>37</b>	<b>666</b>	<b>2,103</b>	<b>162,336</b>	<b>164,538</b>
IV	<b>Expenses:</b>						
	Cost of materials consumed	-	(0)	(2,814)	2,801	104,384	103,843
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	-	-	7,643	7,968
	Excise Duty	-	-	-	-	777	777
	Employee benefits expense	127,214	124,034	125,576	377,725	376,545	513,584
	Finance Costs	234,124	223,030	213,623	671,491	626,239	844,195
	Depreciation and amortisation expense	7,652	7,503	7,513	22,579	22,874	30,255
	Other expenses	9,622	25,650	14,524	66,340	78,034	102,315
	Provision for Doubtful Debts/Advances	-	-	-	-	-	-
	<b>Total expenses (IV)</b>	<b>378,612</b>	<b>380,217</b>	<b>358,422</b>	<b>1,140,936</b>	<b>1,216,497</b>	<b>1,602,917</b>
V	Profit/(loss) before exceptional items and tax (III-IV)	(377,340)	(380,180)	(357,756)	(1,138,834)	(1,054,161)	(1,438,379)
VI	Exceptional items	-	-	-	-	2,155	2,155
VII	<b>Profit/(loss) before tax (V-VI)</b>	<b>(377,340)</b>	<b>(380,180)</b>	<b>(357,756)</b>	<b>(1,138,834)</b>	<b>(1,056,316)</b>	<b>(1,440,534)</b>
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>(377,340)</b>	<b>(380,180)</b>	<b>(357,756)</b>	<b>(1,138,834)</b>	<b>(1,056,316)</b>	<b>(1,440,534)</b>
X	<b>Other Comprehensive Income</b>						
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	20,550
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>(377,340)</b>	<b>(380,180)</b>	<b>(357,756)</b>	<b>(1,138,834)</b>	<b>(1,056,316)</b>	<b>(1,419,984)</b>
XII	<b>Equity Share Capital</b>	<b>4,567,620</b>	<b>4,567,620</b>	<b>4,567,620</b>	<b>4,567,620</b>	<b>4,567,620</b>	<b>4,567,620</b>
XIII	<b>Other Equity (Excluding Revaluation Reserve)</b>	<b>(14,335,233)</b>	<b>(13,957,892)</b>	<b>(12,827,301)</b>	<b>(14,335,233)</b>	<b>(12,827,301)</b>	<b>(13,196,400)</b>
XIV	Earnings per equity share						
	(1) Basic	(0.83)	(0.83)	(0.78)	(2.49)	(2.31)	(3.15)
	(2) Diluted	(0.83)	(0.83)	(0.78)	(2.49)	(2.31)	(3.15)

**Notes:**

- The Ind AS compliant interim unaudited stand alone financial statements for the corresponding nine months period ended 31/12/2018 have been prepared in accordance with the regulations and measurement principles laid down in Ind AS-34- "Interim Financial Reporting" prescribed as per section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. The Ind AS compliant interim unaudited stand alone financial statements for the corresponding nine months period have been stated in terms of SEBI circular no. CIR/CFD/FAC/62/2016 dated 05/07/2016. The management have exercised necessary due diligence and ensured that the aforesaid statements provide a true and fair view of its affairs in accordance with the Companies (Indian Accounting Standards) Rules 2015.
- The above results have been reviewed and approved by the Board of Directors at its meeting held on 13th February 2019.
- The accumulated losses of the Company, Rs1,433,523,265/- as of 31st December 2018 had exceeded the net worth of the Company. The net worth of the Company as of 31st December 2018 is negative at Rs.976,761,265/-
- Lack of executable orders and dull phase of Optical Fiber Cable (OFC) market from 2010-11 onwards is the main reason for poor performance since then. The requirement of OFC in the country is huge; however, the delay is due to various procedural issues in execution of big projects by Govt. clients. As such the Company is hopeful of improving its order book position. Considering this and anticipating financial support from its Holding Company TCIL, Govt of India's Department of Telecommunications etc, the accounts have been prepared on "Going Concern basis" for the present.
- Same accounting policies as that of last financial year are followed in the current quarter and Nine Months ended.
- Provision for Employee Benefits have been made on estimated basis.
- During the year the Company has not accounted / taken the credit / charge for the deferred tax assets / liabilities. The excess of timing difference over the deferred tax liability has been ignored for want of reasonable certainty of the Company making taxable income in the near future. Similarly, for the same reason, certain other provisions made in the earlier years have been ignored for creation of deferred tax asset. The accumulated losses and carried forward depreciation under the tax laws have been ignored for creating the deferred tax asset considering that there is no reasonable certainty of the Company making taxable income in the future.
- No provision is made for one long pending debtor Rs. 3.40 crores, in view of the arbitration proceeding completed against the Purchaser for which Award is received in favour of the Company but has been challenged by the Purchaser in the Court. The Court has remitted back to the Arbitrator for issuing speaking orders which has also been awarded in favour of the Company. The Purchaser has again appealed in the Court.

*Jd*





- 9 No provision is made for Rs.0.13 crores, due from RailTel which was under Arbitration. In the Arbitration award, six claims were in favour of the Company and one against the Company. Company has appealed against the award in Delhi High court and the proceedings are in progress.
- 10 Depreciation has been provided as per the requirement of Part C of Schedule II to the Companies Act, 2013.
- 11 Previous period's amounts are regrouped and rearranged to conform to the current period's classification.
- 12 The financial results have been reviewed by the Statutory Auditors as required under Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and has qualified their limited review report on the unaudited financial results for the quarter ended 31st December 2018 in respect of the following matters:
- The company has not carried out actuarial valuation as of 31st December, 2018, relating to Gratuity and leave encashment benefits in terms of Ind AS 19 impacting total comprehensive Income attributable to equity shareholders.
  - The Company has not recognized the following financial liability/asset at fair value in terms of Ind AS 109.
    - Amount due to Fujikura Ltd amounting to Rs.1,89,65,590/- and
    - Trade receivables (considered good) amounting to Rs.7,16,45,836/-
 As the Company in respect of these liabilities/assets would be making payments/receiving at book value and not at fair value, the Management has decided to continue the respective balances at their book values.
- 13 The Auditors have drawn attention to the following matters in their Limited Review report for the quarter ended 31st December 2018
- S.No. 10 to Notes to Unaudited Financial Results for the Quarter ended 31st December, 2018. The Company's accumulated losses of Rs.1,433,523,265/- has eroded the Net Worth of the Company, indicating the existence of material uncertainty that may cast a doubt about the Company's ability to continue as a Going Concern. The Company has incurred a loss of Rs.37,733,979/- for Quarter under review. Based on the mitigating factors discussed in the said note, the Management believes that the Going Concern assumption is appropriate.
  - S.No. 11,13,14(2),16 to Notes to Unaudited Financial Results for the Quarter ended 31st December, 2018, the Company has not restated the amounts due to its holding Company viz., Telecommunications Consultants India Limited amounting to Rs. 1,053,673,280/- at Fair value, but retained the same at its book value.
- 14 The Company's business activity falls within a single primary business segment viz., telephone cables.

15 Statement of Assets and Liabilities:

	Rs. (In hundreds)	
	As at 31st December	As at 31st March, 2018
<b>ASSETS</b>		
(1) Non-current assets		
(a) Property, plant and Equipment	899,515	921,876
(b) Other non-current assets	6,895	6,895
<b>Total Non-current Assets</b>	<b>906,410</b>	<b>928,771</b>
(2) Current assets		
(a) Inventories	278,690	281,492
(b) Financial Assets		
(i) Trade receivables	716,458	743,531
(ii) Cash and cash equivalents	60,407	92,946
(iii) Short term Loans	235	185
(c) Other current assets	128,635	127,454
<b>Total Current Assets</b>	<b>1,184,426</b>	<b>1,245,608</b>
<b>Total Assets</b>	<b>2,090,835</b>	<b>2,174,379</b>
<b>EQUITY</b>		
(1)EQUITY		
(a) Equity Share capital	4,567,620	4,567,620
(b) Other Equity	(14,335,233)	(13,196,400)
<b>Total Equity</b>	<b>(9,767,613)</b>	<b>(8,628,780)</b>
<b>LIABILITIES</b>		
(1) Non-current Liabilities		
(a) Long Term Borrowings	1,165,730	1,165,730
(b) Long Term Provisions	281,240	264,740
<b>Total Non-current Liabilities</b>	<b>1,446,970</b>	<b>1,430,470</b>
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Short term Borrowings	1,425,170	1,242,766
(ii) Trade Payables	7,755,482	7,218,629
(iii) Other Financial liabilities	203,515	203,515
(b) Other current liabilities	638,796	505,004
(c) Short Term Provisions	388,514	202,774
<b>Total Current Liabilities</b>	<b>10,411,478</b>	<b>9,372,689</b>
<b>Total Equity and Liabilities</b>	<b>2,090,835</b>	<b>2,174,379</b>

For and on behalf of Board of Directors

*Sanjeev Kumar Kesari*  
Managing Director  
Tamilnadu Telecommunications Limited

Place Chennai /  
Date 13th February 2019



**Partners :**



CA. R. BUPATHY, B.Com., FCA  
CA. V. THIAGARAJAN, B.Com., FCA  
CA. D. PURUSHOTHAMAN, B.Com., FCA., DISA (ICAI)  
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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**

To

The Board of Directors,  
Tamilnadu Telecommunications Limited,  
Chennai.

1. We have reviewed the accompanying statement of the unaudited financial results of TAMILNADU TELECOMMUNICATIONS LIMITED, (the "Company") for the Quarter ended 31<sup>st</sup> December, 2018 (the "Statement") prepared by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereafter and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquires of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.
4. Basis for Qualified Conclusion:
  - a. The company has not carried out actuarial valuation as of 31<sup>st</sup> December, 2018, relating to Gratuity and Leave Encashment Benefits in terms of Ind AS 19 impacting total comprehensive income attributable to equity shareholders.





- b. The Company has not recognized the following financial liability/asset at fair value in terms of Ind AS 109.
- i. Amount due to Fujikura Ltd amounting to Rs. 18,965,590/- and
  - ii. Trade receivables (considered good) amounting to Rs. 71,645,836/-
5. Without Qualifying our conclusion in respect of this matter, we draw attention to
- a. Sl.No. 10 to Notes to Unaudited Financial Results for the Quarter ended 31<sup>st</sup> December, 2018. The Company's accumulated losses of Rs. 1,433,523,265/- has eroded the Net Worth of the Company, indicating the existence of material uncertainty that may cast a doubt about the Company's ability to continue as a Going Concern. The Company has incurred a loss of Rs. 37,733,979/- for Quarter under review. Based on the mitigating factors discussed in the said note, the Management believes that the Going Concern assumption is appropriate.
  - b. Sl.No. 11,13,14(2),16 to Notes to Unaudited Financial Results for the Quarter ended 31<sup>st</sup> December, 2018. The Company has not restated the amounts due to its holding Company viz., Telecommunications Consultants India Limited amounting to Rs. 1,053,673,280/- at Fair value, but retained the same at its book value.

6. **Qualified Conclusion:**

Based on our review conducted as stated in Para 3 hereinabove, Except for the effects of matters as detailed in paras 4 & 5 hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results read with notes thereon, prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014 and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For R. Bupathy & Co.,  
Chartered Accountants  
FRN: 000525S



CA. V. Thiagarajan  
Partner  
ICAI Membership No.203328



Place: Chennai  
Date: 13th February 2019