TAMILNADU TELECOMMUNICATIONS LIMITED
(A Joint venture of TCIL, a Govt. of India Enterprise & TIDCO, a Govt. of Tamilnadu Enterprises)
OPTICAL FIBRE CABLE DIVISION
IS/ISO 9001 2000 Raad voor Accreditatie
Works: E18B-24, CMDA Industrial Complex, Maraimalai Nagar - 603 209. Phone: (044) 27453881, 27452406, 27451095, Telefax: +91-44-27454768

TTL/BSE/2019-20 29.07.2020

The Manager,
Bombay Stock Exchange Limited,
Floor No. 25, PJ Towers,
Dalal Street, MUMBAI – 400 001

Dear Sir/ Madam,

SUB: Outcome of the Board Meeting – regarding
REF: Scrip Code - 523419

With reference to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Meeting of the Board of Directors of M/s. TAMILNADU TELECOMMUNICATIONS LIMITED, schedule on 29.07.2020 (Wednesday) at 1.00 pm, at M/S TELECOMMUNICATIONS CONSULTANTS INDIA LIMITED, TCIL Bhawan, Greater Kailash-I, New Delhi-11 0048, for adoption of the Audited financial Statements for the year ended 31st March 2020, Accordingly, in the Board Meeting held on today 29.07.2020 (Wednesday) at 1.00 pm, at M/S TELECOMMUNICATIONS CONSULTANTS INDIA LIMITED, TCIL Bhawan, Greater Kailash-I, New Delhi-11 0048 through audio visual means / video conferencing, the Board has approved the audited results of the Company for the year 2019-20 along with other business:

Please find enclosed herewith the following for your information and records:

1) Duly authenticated Statement of the audited results for the year ended 31st March, 2020 along with other relevant periods, as per the prescribed format.

Kindly acknowledge receipt.

Thanking you,
Yours faithfully,

P.V. Sreekanth

(P.V.Sreekanth)
Managing Director
DIN 08610244

Encl: Audited Financial Results for the F.Y. 2019-20.

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 : ttlcosec@gmail.com, website : www.ttlofc.in

(Indian Rupees in hundreds)

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020					
Particulars	**For the Quarter Ended**			**Year Ended**	
	Mar 31,2020	**December 31, 2019**	**Mar 31,2019**	**March 31,2020**	**March 31,2019**
(Refer Notes Below)	**Audited**	**Unaudited**	**Audited**	**Audited**	**Audited**
(I) Revenue from Operations	-	-	-		-
(II) Other Income	643	575	3,358	2,411	5,461
(III) Total income (i+ii)	**643**	**575**	**3,358**	**2,411**	**5,461**
(IV). Expenses					
(a) Cost of Materials consumed	-	-	-		2,801
(b) Excise Duty	-	-	-		-
(c) Changes in inventories of finished goods, work-in-progress and stock- in-trade	-	-	-		-
(d) Employee benefits expense	56,235	64,242	1,18,269	2,49,093	4,95,994
(e) Finance Cost	2,16,585	2,28,292	2,25,156	9,03,146	8,96,646
(f)Depreciation and amortisation expense	7,318	7,398	7,356	29,463	29,935
(g)Other expenses	1,70,279	14,110	84,291	2,28,686	1,50,632
Total Expenses(IV)	**4,50,417**	**3,14,042**	**4,35,072**	**14,10,388**	**15,76,008**
(V). Profit / (Loss) before exceptional items and Tax ((III-IV)	**(4,49,774)**	**(3,13,467)**	**(4,31,714)**	**(14,07,977)**	**(15,70,547)**
(VI). Exceptional Items	-	-	-		-
(VII) Profit / (Loss) before tax (V-VI)	**(4,49,774)**	**(3,13,467)**	**(4,31,714)**	**(14,07,977)**	**(15,70,547)**
(VIII). Tax expense					
Current Tax	-	-	-		-
Deferred Tax	-	-	-		-
(IX) Net Profit / (Loss) for the period from Continuing Operation after tax (VII-VIII)	**(4,49,774)**	**(3,13,467)**	**(4,31,714)**	**(14,07,977)**	**(15,70,547)**
(X) Profit / (Loss) from discontinued operations before tax	**-**	**-**	**-**		**-**
(XI) Tax Expense of discontinued operations	**-**	**-**	**-**		**-**
(XII) Profit / (Loss)from discontinued operations after tax (X-XI)	**-**	**-**	**-**		**-**
(XIII). Profit / (Loss) for the period	**(4,49,774)**	**(3,13,467)**	**(4,31,714)**	**(14,07,977)**	**(15,70,547)**
(XIV). Other Comprehensive Income	(53,540)	-	(22,915)	(53,540)	**(22,915)**
(XV) Total Comprehensive Income for the period [(XIII-XIV)**Comprising profit/(Loss) from ordinary activities after tax and Other Comprehensive Income for the period]**	**(5,03,314)**	**(3,13,467)**	**(4,54,629)**	**(14,61,517)**	**(15,93,462)**
(XVI). Paid-up equity share capital (Face Value of Rs 10.Each)	45,67,620	45,67,620	45,67,620	45,67,620	45,67,620
(XVII)Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	(162,51,379)	(157,48,064)	(147,89,861)	(162,51,379)	(147,89,861)
(XVIII) Earnings Per Equity Share (for Continuing Operation) (of Rs 10/- each) (not annualised):					
(a) Basic	(0.98)	(0.69)	(0.95)	(3.08)	(3.44)
(b) Diluted	(0.98)	(0.69)	(0.95)	(3.08)	(3.44)

Notes to Statement of unaudited financial results and Statement of assets and liabilities

1) The Ind AS compliant interim unaudited stand alone financial statements for the three months period ended 31st March 2020 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 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.

2) The above results have been reviewed and approved by the Board of Directors at its meeting held on 29th July 2020.

3) The accumulated losses of the Company, Rs. 1,625,137,896/- as of 31st March 2020 had exceeded the net worth of the Company. The net worth of the Company as of 31st March 2019 is negative at Rs. 1,478,986,085/-.

4) The accumulated losses of the company had exceeded its net worth again during 2011-12. The Erstwhile BIFR has already approved a Sanctioned Scheme for the Company during 2010-11 and the Company is under re-habilitation period and is being monitored by it through the Monitoring Agency. Lack of executable orders and dull phase of Optical Fiber Cable (OFC) market from 2010-11 onwards is the main reason for such 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.

5) Same accounting policies as that of last financial year are followed in the current quarter.

6) Provision for Employee Benefits have been made on estimated basis.

7) 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.

8) In view of the commitment by the company to pay Telecommunications Consultants India Limited (the holding company) on demand basis, the company has taken a conservative approach to reflect the amount due of Rs.1,174,917,114/- at book value and not at fair value. Further since the aforesaid financial liabilities are current in nature there would only be an immaterial finance cost/income involved, on account of restatement of the balances to fair value.

9) The balances of debtors, creditors, loans and advances (other than Telecommunications Consultants India Limited (TCIL)) as on 31st March 2020 are subject to confirmation.

10) No provision is made for one long pending debtor amounting to Rs. 33,950,521/- 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.

11) No provision is made for Rs. 1,339,656/- 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.

12) Depreciation has been provided as per the requirement of Part C of Schedule II to the Companies Act, 2013.

13) Contingent Liabilities

a) Commercial Tax Department had demanded a sum of Rs.18,608,794/- as Additional Sales Tax in respect of Financial Year 2000-2001 and 2001-2002 (up to November 2001). The company has obtained a Stay from Madras High Court against the collection of above demand by depositing a sum of Rs. 75,000 with Commercial Tax Department as directed by the High Court while granting the stay. As the demand is disputed, the same is not provided for in the accounts. The case came up for hearing during November, 2011and directions were issued to post the case along with the writ appeal before the Bench in another similar case where the judgment is in favour of the assessee. The writ petitions were heard by High Court, Madras, on 02-09-2015 and on 09-09-2015. On hearing the argument single Judge of High court Madras reserved the judgement. Orders are still not given by the Court.

b) The Sales Tax department has demanded a sum of Rs. 2,295,000/- during the financial year 2006-07 for non-submission of "C" Forms from BSNL / MTNL pertaining to AY 2001-02, 2002-03 and 2003-04. The Government has exempted "C" forms in respect of inter-state sales to BSNL / MTNL. The company has represented to the Department and also referred the matter to BSNL / MTNL. Next hearing date is not yet fixed.

c) The Customs Authority has demanded an amount of Rs. 10,206,795/- towards difference in classification of Optical Fibre during the year 2006-07. However, the order of the Commissioner of Customs has come in favour of the Company during the year 2009-10 dropping the proceedings. Department has gone for appeal against the order. The company has filed the Counter. The Tribunal vide its Final Order dated 19/12/2017 remanded the matter back to the Commissioner for fresh decision after the outcome of the case pending in Supreme Court on the issue of jurisdiction of DRI to issue the notice. As such, the issue has to be argued and decided afresh.

d) There is a demand from IT department for Rs. 1,774,729/- towards short deduction of TDS against interest payable to TCIL. We have represented the case with IT Department.

e) Total penalty amounting to Rs. 4,776,640/- is levied by the BSE and NSE stock exchanges pursuant to non-compliance with SEBI(Listing Obligations & Disclosure Requirements) during the year 2018-19 and Rs.38,37,360/- during the year 2019-20. The Company has made written representation to the Stock exchanges for waiver of this penalties.

14) Previous period's amounts are regrouped and rearranged to conform to the current period's classification.

15) 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 March 2020 in respect of the following matters:

a)The company has carried out actuarial valuation as of 31st March 2020, 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.20,003,590/- and
ii.Trade receivables (considered good) amounting to Rs.71,410,296/-
iii. Unsecured Trade Payables amounting to Rs. 34,409,374/-

c) c. The Company has not carried out Impairment testing in respect of the assets held by the company in terms of Ind AS 36.

16) The Auditors have drawn attention to the following matters in their Limited Review report for the quarter ended 31st March 2020.

a) Note No. 3 & 4 of the notes to Statement of unaudited financial results and Statement of assets and liabilities. The Company's accumulated losses of Rs. 1,625,137,896/- 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. Based on the mitigating factors discussed in the said note,the Management believes that the Going Concern assumption is appropriate.

b) Note No. 8 of the notes to Statement of unaudited financial results and Statement of assets and liabilities which states the reason for non-recognition of amounts due to the holding Company viz., Telecommunications Consultants India Limited amounting to Rs. Rs.1,174,917,114/- at Fair Value in accordance with IndAS 109.

c) Note No. 9 of the notes to Statement of unaudited financial results and Statement of assets and liabilities, which states that the balances carried in the debtors, creditors, advances & deposits payable / recoverable are subject to confirmation from all parties (other than Telecommunications Consultants India Limited).

17) The Company's business activity falls within a single primary business segment viz., telephone cables.

Place: New Delhi
Date: 29th July 2020

For and on behalf of the Board of Directors

SD/-
P.V.Sreekanth
Managing Director

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 : ttlcosec@gmail.com, website : www.ttlofc.in

STATEMENT OF ASSETS AND LIABILITES

(Indian Rupees in Hundreds)

Particulars	As at	
	31-Mar-20	31-Mar-19
ASSETS		
1 NON CURRENT ASSETS		
(a) Property ,Plant and Equipment	8,62,696	8,92,159
(b) Other non-current assets	4,740	4,740
Total Non current assets	**8,67,436**	**8,96,899**
2 CURRENT ASSETS		
(a) Inventories	1,08,198	2,78,690
(b) Financial Assets		
(i) Trade Receivables	7,14,103	7,12,571
(ii) Cash and Cash equivalents	39,989	54,425
(iii) Short term loans	207	207
(c) Other current assets	1,46,902	1,20,026
Total Current assets	**10,09,399**	**11,65,919**
Total Assets	**18,76,835**	**20,62,818**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equty share Capital	45,67,620	45,67,620
(b) Other Equity	(162,51,379)	(147,89,861)
Total Equity	**(116,83,759)**	**(102,22,241)**
LIABILITIES		
1 Non Current Liabilities		
(a) Financial Liabilities		
(i) Long term borrowings	11,65,730	11,65,730
(b) Long Term Provisions	4,32,518	3,22,556
Non Current Liabilities	**15,98,248**	**14,88,286**
2 Current Liabilities		
(a) Financial Liabilities		
(i) Short term Borrowings	16,09,603	15,12,498
(ii) Trade Payables	62,28,861	62,13,791
(iii) Other Financial liabilites	33,02,967	24,86,381
(b) Other current liabilities	2,15,920	1,13,196
(c) short term provisions	6,04,995	4,70,907
Current Liabilities	**119,62,346**	**107,96,773**
Total of Equity and Liabilties	**18,76,835**	**20,62,818**

For and on behalf of the Board of Directors

Place: Delhi

Date: 29th July 2020

SD/-

P.V.Sreekanth

Managing Director

TAMILNADU TELECOMMUNICATIONS LIMITED
No.16,I st Floor, Aziz Mulk, 3rd Street, Thousand Lights, Chennai 600 006
CIN:L32201TN1988PLC015705, Tel: 044 28292653, Email:ttlcosec@gmail.com, Website: www.ttlofc.in

STATEMENT OF CASH FLOW

Accounting Policy:
The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows .

Amendment to Ind AS 7:
Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements."

(Indian Rupees in Hundreds)

Description	For the year ended 31st March 2020	For the year ended 31st March 2019
Cash Flow from Operating Activities:		
Net Profit / (Loss) before tax	**(14,61,517)**	**(15,93,462)**
Adjustments for		
Add: - Depreciation	29,463	29,935
- Interest & Finance Charges	9,03,146	8,96,646
- Loss on sale of assets	-	-
- Exchange Rate Fluctuations - Loss / (Gain)	10,444	6,908
	(5,18,465)	**(6,59,973)**
Less:		
- Interest/Dividend Received	2,411	3,200
Operating Profit before Working Capital changes	**(5,20,876)**	**(6,63,173)**
		-
Changes in assets and liabilities:		-
- Trade Receivables	(1,532)	30,960
- Other Current receivables	(26,877)	7,407
- Inventories	1,70,492	2,802
- Other Non - current assets	(0)	2,155
- Trade Payables	15,070	4,703
- Other financial liabilities, other liabilities, borrowings and provisions	11,50,504	14,19,382
Cash generated from Operations	**7,86,781**	**8,04,236**
Income Tax	-	-
Cash Flow after tax before exceptional items	**7,86,781**	**8,04,236**
Exceptional items	-	-
Exchange Rate Fluctuations - (Loss) / Gain	(10,444)	(6,908)
Net Cash generated by Operating Activities- A	**7,76,337**	**7,97,328**
Cash Flow from Investing Activities:		
Purchase of Non-Current Assets	-	(218)
Sale of Fixed assets	-	-
Interest/Dividend Received	2,411	3,200
Net Cash from /(used) in Investment Activities -B	**2,411**	**2,982**
Cash Flow from Financing Activities:		
Increase / (Repayment) of Non Current Liabilities	1,09,962	57,815
Interest charges	(9,03,146)	(8,96,646)
Dividends Paid		
Dividend Tax		
Net Cash used in Financing Activities-C	**(7,93,184)**	**(8,38,831)**
Net (decrease)/Increase in Cash Equivalents (A+B+C)	**(14,436)**	**(38,521)**
Cash & Cash Equivalents at the beginning of the Period	54,425	92,946
Cash & Cash Equivalents at the end of the year	**39,989**	**54,425**

Notes:
1. Cash and cash equivalents represents cash in hand and cash with scheduled banks.
2. Figures for the previous year have been re-grouped wherever necessary.

As per our report of even date attached
For R Bupathy & Co.
Chartered Accountants
Firm Regn No. 000525S

For and on behalf of Board of Directors

SD/-
CA V Thiagarajan
Partner
Membership No.

SD/-
P.V.Sreekanth
Managing Director

SD/-
Kamendra Kumar
Chairman

Place : Chennai
Date : 29.07.2020

SD/-
GM (Finance)

Note 1

Statement of Significant Accounting Policies

I Significant Accounting Policies

a. Basis of Preparation of Financial Statements

Accounts are drawn up on the principle of going concern concept with revenues recognized and expenses accounted on accrual basis and are prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act 2013 read with relevant rules of the Companies (Indian Accounting Standards)Rules with effect from 1st April 2016.

b. Use of estimates:

Preparation of financial statements in conformity with the recognition and the measurement principle of Ind AS requires the management of the company to make estimates and assumptions that affects the reported balances of assets and liabilities, disclosure relating to contingent liabilities as on the date of the Financial Statements and the reported amount of incomes and expenses for the reporting period.

Estimates and the underlying assumption are reviewed on ongoing basis. The revision to the accounting estimates if material is recognized in the period in which the estimates are revised.

2 Property, Plant and Equipment:

a. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
b. The costs directly attributable including borrowing cost on qualifying asset are capitalized when the Property, Plant and Equipment are ready for use, as intended by the management.
c. Subsequent expenditure relating to Property, Plant and Equipment including major inspection costs, spare parts, standby and servicing equipments are capitalized only when it is probable that future economic benefits associated with these will flow to the Company, the cost of the item can be measured reliably and the company expects to use them during more than period.
d. Depreciation is calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act 2013, up-to the cost of the asset (net of residual value – which is considered at 5 % of cost of assets).
e. Plant and Equipment costing individually Rs. 5,000 and below are fully depreciated in the year of purchase.
f. Where the cost of an item of Property, Plant and Equipment are significant and have different useful lives, they are treated as separate components and depreciated over their estimated useful lives.
g. Depreciation on Property, Plant and Equipment, added or deleted during the reporting period is provided from or till the date of such addition or deletion.
h. The estimated useful lives, residual values and depreciation / amortisation method are reviewed at the end of each reporting period with the effect of changes in estimates accounted for on a prospective basis.
i. The cost of assets not put to use, before the year end are disclosed under Capital Work-in-Progress.

3 Impairment of Assets

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognised and assets are written down to their recoverable amount.

4 Financial Assets and Liabilities

The Company recognizes all Financial Assets and Liabilities at Fair Value at inception and subsequent measurement is done at amortized cost. Fair Value adjustment is done only where material.

5 Inventories

a. Inventories are valued at lower of cost and net realisable value. The cost of raw material excluding goods in transit, components and stores are assigned by using the weighted average cost formula. Goods in transit are valued at cost to date. In the case of finished goods, stock-in-trade and work-in-progress, cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

b. Saleable / Disposable scrap is valued at net realisable value.

c. Stores, Tools and Spares/Components are valued at cost.

6 Foreign Currency Transactions:

a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

b. Assets and Liabilities are re-instated at the year-end at the rate prevalent at each annual Balance Sheet date. The Income / Expenditure on account of this are charged to Statement of Profit and Loss.

c. Any Incomes or Expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

7 Revenue Recognition

a. **Sales**:
Sale is recognized on dispatch of goods to customers upon inspection and clearance by the clients. Export sales on FOB basis are recognized upon despatch and that of CIF basis upon acceptance of goods by the clients.

b. **Other Income and Expenses**:
On accrual basis.

8 Employee Benefits:

i) Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

ii) Post -Employment benefit Plans:

a) Upto the year 2008-09 the Company has set up separate Trust for Provident Fund and has been contributing towards the same. Contribution towards pension fund is made to PF authorities on monthly basis. From 01.04.2009 onwards based on the order of the Provident Fund Commissioner-I, withdrawing the relaxation under Para 79 of the Employees' Provident Fund Scheme 1952, the Provident Fund contributions are remitted to the PF authorities.

b) Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

c) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each annual balance sheet date. All re-measurement items occurring during the year are recognized in the Other Comprehensive Income(OCI). Re-measurementsarisingfromdefinedbenefitplanscompriseactuarialgainsandlossesonbenefitobligations andthereturnonplanassetsinexcessofwhathasbeenestimated.Thecompanyrecognisestheseitemsofre-measurementsimmediatelyinothercomprehensiveincomeandalltheotherexpensesrelatedtodefinedbenefitplansinemployeebenefit expenses in profit and loss account.

d) The retirement benefit obligation recognized in the annual balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. For the employees who had already left like VSS optees etc., the gratuity and leave encashment is provided on actual basis.

9 Provision for Warranty Period Expenses

Provision is made for warranty period expenses at a percentage on net turnover of the year, arrived at based on actual warranty period expenses incurred compared with the average net turnover of the previous three financial years.

10 Liquidated Damages

Provision for liquidated damages is recognised for the period of delay between the due date of supply of the goods as per delivery schedule and its expected date of delivery of the said goods. In respect of repair/replacement, provision for liquidated damages is recognised at the time of revenue recognition.

11 Borrowing Costs

Borrowing costs which are not attributable to be acquisition and construction of the qualifying asset) are being recognized as an expense in the period in which they are incurred.

12 Accounting for Leases

The lease agreement entered with the lessors are for monthly rental hiring basis of office accommodation for a period of eleven months and with subsequent renewal clause on mutual agreement. The lease agreement also can be cancelled by either party on giving notice at any time with in a prescribed time limit. The lease does not transfer all the risks and rewards incidental to ownership. There is no provision to acquire title to the asset upon fulfilment of the agreed conditions. The monthly lease rents are being recognized as an expense in the period in which they are incurred.

13 Taxes on Income

a) Taxation comprises of current tax and deferred tax charge or credit

b) Current tax is the amount of tax payable on the taxable Income for the year as determined in accordance with the applicable tax rates and provisions of Income Tax Act,1961.

c) The deferred tax on timing differences between book profit and taxable profit for the year is accounted for applying the tax rates and laws that have been enacted or substantively enacted as on the annual balance sheet date. deferred tax assets arising from timing difference in excess of deferred tax liability are recognized to the extent there is a reasonable certainty that such assets can be realized in future.

14 Claims by the Company

Claims on purchasers/suppliers towards differential in awarded rate during the scheduled delivery period are accounted when claims are preferred and carried forward till such time the company has a legal right to recover such amounts. Such claims are reviewed at annual balance sheet date.

15 Provisions and Contingent Liabilities

A provision is recognised, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.

Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as contingent liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

16 Onerous Contract

The excess of unavoidable costs of meeting the obligations on onerous contracts over economic benefits expected to be received is charged to the Statement of Profit and Loss in the year in which the contract become onerous and is recognized and measured as loss.

2. The Company is having a system of sending letters to the Debtors for confirming the balance as at the year-end 31st March. However, the balances of debtors, creditors, loans and advances (other than Telecommunications Consultants India Limited (TCIL)) are subject to confirmation.

(Indian Rupees in Hundreds)

3. (a)No provision is made for one long pending debtor Rs. 3,39,505 (previous year Rs. 3,39,505) in view of the arbitration proceeding completed against the Purchaser for which the Award was received on 14th January 2005 in favour of the Company but has since been challenged by the Purchaser in the court. Further the court remitted back the case to the Arbitrator for speaking orders which also had been awarded on 14th November 2014 in favour of the Company after arguments, cross examinations and written submissions. The purchaser has again appealed in the High Court. Now the matter is posted on list of final hearings of High court.

   (b)No provision is made for Rs. 13,397 (previous year Rs. 13,397) 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.

(Indian Rupees in Hundreds)

4. After restructuring as per the Sanctioned Scheme of erstwhile BIFR during 2010-11, the net worth of the Company was positive during 2010-11. However, during the year 2011-12 the net worth had again eroded. The Company was under rehabilitation period as per the erstwhile BIFR Sanctioned Scheme. Lack of executable orders and dull phase of Optical Fiber Cable (OFC) market from the year 2010-11 onwards is the reason for the poor performance.
   During the year 2012-13 the Company had received order from BSNL for supply of 3206 KMs of OFC valuing Rs.15,97,011 and successfully executed the order in time and got 50% add-on order of 1602 KMs and executed during 2013-14 valuing Rs.7,98,007. These two were the only major orders executed during these two years.

   Bharat Broadband Network Limited (BBNL), the Special Purpose Vehicle of the Government, had floated the tender towards the National Optic Fiber Network (NOFN) project to connect all the villages by broad band. The date of tender opening was 08.05.2013. Though the initial projection was 600000 KMs, the tender called for is to cover 404995 KMs under six packages based on geographical location. For this huge quantum, BBNL has fixed the delivery time frame of eight months only including initial two months for preliminary arrangements. The Company has participated in one package considering its production capacity to cover the quantum in the given short delivery period. The Company has received APO and given acceptance during February, 2014 for 5800 KMs including accessories. The Value of the APO is Rs. 31,90,444. BBNL has proposed to issue PO in two phases of 50% each. During April,2014, BBNL has issued the first 50% PO for 2900 KMs including accessories valuing Rs. 1,595,273. Delivery period was upto October, 2014. BBNL has issued the consignee details in full periodically for four months consignments of 1740 KMs only. For fifth month consignment, consignee details were provided for only 48 KMs out of 580 KMs. Hence consignee details are not provided for balance around 1112 KMs. BBNL has extended the delivery schedule by another six months beyond October,2014. Hence the supply of balance around 1112 KMs and second 50% PO for 2900 KMs was anticipated during 2016-17and 2017-18 for execution. However, BBNL did not decide on the consignees and no supply could, therefore, be made thereafter.

   The Company had participated in the tender floated by BSNL for supply of 24,000 KMs of 24F HDPE DS OFC. The technical bid opened and the company has been technically qualified. Financial bid opened on 21.5.2015 which was followed by e reverse auction but TTL could not compete in the e-reverse auction.

   The company had railway orders worth Rs.10 cr during the financial year 2016-17 and 2017-18. But due to non-availability of fiber from Fujikura, Japan, the orders could not be executed.

   The requirement of OFC in the country is huge; however the delay in procurement is due to various procedural matters / issues in execution of big projects by the Government Clients.

The Company is hoping to get continuous orders since the OFC market has picked up.The order booking position is expected to improve in future as there is huge requirement of OF cable forTamil Nadu Fibrenet Corporation (TANFINET) for implementing BharatNeta scheme for making broadband connectivity available in rural areas of Tamilnadu.The company and the promoters of the company are taking various efforts for revival of the companyas detailed below:

i. The proposal of taking over the company by BSNL has been initiated. The Consultant appointed by the BSNL submitted duediligence report after vetting the documents of the company. Meeting was held on 7thMarch 2019 chaired by AS (T) at Department of Telecommunication and decided to reexamine the case by both TCIL and BSNL.

ii. **Diversion of existing skilled employees to Fiber Optic Splicing, Survey, Optical Laying Supervision and other telecom related service contractsto maximize the utilization of existing skilled manpower. During the financial year 2018-19, 29 no. of employees were sent to TCIL on deputation basis till 31.03.2019 and 31 no. of employees were sent to TCIL on deputation during the financial year 2019-20.**

iii. To obtain Turnkey contracts with the help of TCIL on nomination basis from DOT / PSUs / Tamilnadu Govt. and execute the orders so that excess skilled manpower will be utilized.

iv. TCIL management is taking efforts to revive TTL and a letter from Secretary, Telecom has been forwarded to Chief Secretary, Govt. of Tamilnadu in this regard.

v. Since TTL has 5.51 acres of vacant land which can only be used for telecom related industrial purpose, efforts are being taken to utilize vacant land by venturing into other areas by way of Joint Venture with public / private partners.

vi. MOU was signed with ITI Limited (PSU) in the presence of Hon'ble Minister of Communication during the synergy meeting held on 22th February 2018 at New Delhi for contract manufacturing.

vii. DOT discussed in the meeting held on 07.03.2019 with regard to takeover of TTL by BSNL, it is suggested by Ministry to BSNL to utilize the capacity of TTL since BSNL requirement is 100000 km per annum against TTL capacity of 10000 Km per annum.

viii. **To obtain Preferential orders from Tamil Nadu Fibrenet Corporation (TANFINET), State PSU, for supplying Optical Fiber Cable in Tamilnadu.** Management is continuously pursuing and approaching the concerned secretaries and ministers of Government of Tamilnadu**. Promoter TIDCO has been requested to help TTL in getting preferential orders.**

ix. **Promoter TCIL has initiated the proposal of sale of entire stake of TCIL in TTL through DIPAM as per the revised procedure for strategic disinvestment in CPSEs. The same has been pursued with Department of Telecom, Ministry of Communication. The strategic disinvestment will pave the way for revival of the company by the prospective buyers.**

Resolution is being passed in the coming 162nd board meeting to be held on 30.05.2019 to support TTL by the promoters company TCIL and TIDCO by providing orders on nomination basis as both TCIL and Tamilnadu state government have huge orders to implement the Bhartnet projects.

Considering the scope during the immediate future and TCIL's financial support the accounts have been prepared on going concern basis.

5. Land

a) The Company is currently in possession of 2.42 acres of land acquired from CMDA. In respect of the said land Memorandum of Lease cum Sale Agreement has been entered and on completion of payment, the Company has executed Sale Deed and the same in original was surrendered to SBI, which is yet to be returned by SBI for which due clearances were received from all the banks of the consortium. The Company is following up with SBI, in this regard.

b)The Company is also in possession of 7.36 acres of free hold land of the Tamilnadu State Government. The cost of land determined by the Government in 2010 was paid by the Company. Land delivery receipt was issued to the Company by the Government. In the case of TN Government land, it is to be utilized for the purpose for which it is allotted.

6. As per Indian Accounting Standard 19 "Employee Benefits", the disclosures of Employee benefits are given below

A. Defined contribution Plan (Indian Rupees in Hundreds):

Contribution to Defined Contribution Plan, recognized as expense for the year are as under

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	8906	26,219
Employer's Contribution to Pension Scheme	3288	9,680

Upto the year 2008-09 the Company has set up separate Trust for Provident Fund and has been contributing towards the same. In view of the fact that the Company is industrially sick as declared by erstwhile BIFR and its net worth has fully eroded, the Provident Fund Commissioner-I has withdrawn with effect from 01.04.2009 the relaxation order issued under Para 79 of the Employees' Provident Fund Scheme 1952, with a direction to remit the whole cash balance to Employees' Provident Fund (EPF) Account No.1 and the balance available in Special Deposit Account to Central Board of Trustees, Employees' Provident Fund. During the year the Company has followed the directions of the Provident Fund Commissioner-I and remitted the monthly contributions to the concerned Regional Provident Fund Commissioner

B. Defined Benefit Plan (All Figures in Rs.)

Gratuity (Un Funded)

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method

The following table set out the status of the gratuity plan as required under Ind AS 19

Service Cost:

All Figures in INR	March 31, 2019	March 31, 2020
Current Service Cost	1,167,125	1,470,473
Past Service Cost (including curtailment Gains/Losses)	0	0
Gains or losses on Non Routine settlements	0	0
Total	**1,167,125**	**1,470,473**

Net Interest Cost:

All Figures in INR	March 31, 2019	March 31, 2020
Interest Cost on Defined Benefit Obligation	1,891,839	2,202,917
Interest Income on Plan Assets	129,778	133,774
Net Interest Cost (Income)	**1,762,061**	**2,069,143**

Change in Present Value of Obligations:

All Figures in INR	March 31, 2019	March 31, 2020
Opening of defined benefit obligations	24,099,857	29,450,757
Service cost	1,167,125	1,470,473
Interest Cost	1,891,839	2,202,917
Benefit Paid	0	0
Actuarial (Gain)/Loss on total liabilities:	**2,291,936**	**5,345,402**
- due to change in financial assumptions	885,179	3,519,123
- due to change in demographic assumptions	0	0
- due to experience variance	1,406,757	1,826,279
Closing of defined benefit obligation	**29,450,757**	**38,469,549**

Change in Fair Value of Plan Assets:

All Figures in INR	March 31, 2019	March 31, 2020
Opening fair value of plan assets	1,653,220	1,788,422
Actual Return on Plan Assets	130,207	125,190
Employer Contribution	4,995	0
Benefit Paid	0	0
Closing fair value of plan assets	**1,788,422**	**1,913,612**

Actuarial (Gain)/Loss on Plan Asset:

All Figures in INR	March 31, 2019	March 31, 2020
Expected Interest Income	129,778	133,774
Actual Income on Plan Asset	130,207	125,190
Actuarial gain /(loss) on Assets	**429**	**(8584)**

Other Comprehensive Income:

All Figures in INR	March 31, 2019	March 31, 2020
Opening amount recognized in OCI outside P&L account	0	0
Actuarial gain / (loss) on liabilities	(2,291,936)	(5,345,402)
Actuarial gain / (loss) on assets	429	(8584)
Closing amount recognized in OCI outside P&L account	**(2,291,507)**	**(5,353,986)**

The amount to be recognized in Balance Sheet Statement:

All Figures in INR	March 31, 2019	March 31, 2020
Present Value of Obligations	29,450,757	38,469,549
Fair value of plan assets	1,788,422	1,913,612
Net Obligations	27,662,335	36,555,937
Amount not recognized due to asset limit	0	0
Net defined benefit liability / (assets) recognized in balance sheet	**27,662,335**	**36,555,937**

Expense Recognized in Statement of Profit and Loss

All Figures in INR	March 31, 2019	March 31, 2020
Service cost	1,167,125	1,470,473
Net Interest Cost	1,762,061	2,069,143
Expenses Recognized in the statement of Profit & Loss	**2,929,186**	**3,539,616**

Change in Net Defined Obligations:

All Figures in INR	March 31, 2019	March 31, 2020
Opening of Net defined benefit liability	22,446,637	27,662,335
Service cost	1,167,125	1,470,473
Net Interest Cost	1,762,061	2,069,143
Re-measurements	2,291,507	5,353,986
Contribution paid to fund	(4,995)	0
Closing of Net defined benefit liability	**27,662,335**	**36,555,937**

Reconciliation of Expense in Profit and Loss Statement:

All Figures in INR	March 31, 2019	March 31, 2020
Present Value of Obligation as at the end of the year	29,450,757	38,469,549
Present Value of Obligation as at the beginning of the year	(24,099,857)	(29,450,757)
Benefit Paid	0	0
Actual Return on Assets	(130,207)	(125,190)
OCI	(2,291,507)	(5,353,986)
Expenses Recognised in the Statement of Profit and Loss(*)	2,929,186	3,539,616

* Total Net Gratuity cost included in Note 22 amounts to Rs.3,539,616/- (Previous Year- Rs. 2,929,186/-).

Reconciliation of Liability in Balance Sheet:

All Figures in INR	March 31, 2019	March 31, 2020
Opening net defined benefit liability / (asset)	22,446,637	27,662,335
Expense charged to profit and loss account	2,929,186	3,539,616
Amount recognized outside profit & loss account	0	0
Employer Contributions	(4,995)	0
OCI	2,291,507	5,353,986
Closing net defined benefit liability / (asset)(*)	**27,662,335**	**36,555,937**

* Total Gratuity provision included in Note 12 and 17 amounts to Rs. 39,738,845/- (Previous Year-
Rs. 30,845,244/-).

Note: The estimates of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is based on the valuation certified by the actuary

C Leave encashment(All Figures in Rs.)

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 240 days. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuations.

The following table set out the status of the Leave Benefit plan as required under Ind AS 19

Service Cost:

All Figures in INR	March 31, 2019	March 31, 2020
Current Service Cost	463,395	606,504
Past Service Cost (including curtailment Gains/Losses)	0	0
Gains or losses on Non Routine settlements	0	0
Total	**463,395**	**606,504**

Net Interest Cost:

All Figures in INR	March 31, 2019	March 31, 2020
Interest Cost on Defined Benefit Obligation	316,151	343,582
Interest Income on Plan Assets	0	0
Net Interest Cost (Income)	**316,151**	**343,582**

Change in Present Value of Obligations:

All Figures in INR	March 31, 2019	March 31, 2020
Opening of defined benefit obligations	4,027,396	4,593,340
Service cost	463,395	606,504
Interest Cost	316,151	343,582
Benefit Paid	0	0
Actuarial (Gain)/Loss on total liabilities:	**(213,602)**	**1,152,452**
- due to change in financial assumptions	142,689	628,998
- due to change in demographic assumptions	0	0
- due to experience changes	(356,291)	523,454
Closing of defined benefit obligation	**4,593,340**	**6,695,878**

Change in Fair Value of Plan Assets:

All Figures in INR	March 31, 2019	March 31, 2020
Opening fair value of plan assets	0	0
Actual Return on Plan Assets	0	0
Employer Contribution	0	0
Benefit Paid	0	0
Closing fair value of plan assets	**0**	**0**

Actuarial (Gain)/Loss on Plan Asset:

All Figures in INR	March 31, 2019	March 31, 2020
Expected Interest Income	0	0
Actual Income on Plan Asset	0	0
Actuarial gain /(loss) on Assets	**0**	**0**

Other Comprehensive Income:

All Figures in INR	March 31, 2019	March 31, 2020
Opening amount recognized in OCI outside profit and loss	N/A	N/A

account		
Actuarial gain / (loss) on liabilities	N/A	N/A
Actuarial gain / (loss) on assets	N/A	N/A
Closing of amount recognized in OCI outside profit and loss account	**N/A**	**N/A**

Note:- As per paragraph 154 and 156 of IND AS 19, Actuarial gains and losses on other long term employee benefit plans continue to be required to be recognized through P&L.

The amount to be recognized in Balance Sheet Statement:

All Figures in INR	March 31, 2019	March 31, 2020
Present Value of Obligations	4,593,340	6,695,878
Fair value of plan assets	0	0
Net Obligations	4,593,340	6,695,878
Amount not recognized due to asset limit	0	0
Net defined benefit liability / (assets) recognized in balance sheet	**4,593,340**	**6,695,878**

Expense Recognized in Statement of Profit and Loss:

All Figures in INR	March 31, 2019	March 31, 2020
Service cost	463,395	606,504
Net Interest Cost	316,151	343,582
Net actuarial (gain)/ loss	(213,602)	1,152,452
Expenses Recognized in the statement of Profit & Loss	**565,944**	**2,102,538**

Change in Net Defined Obligations:

All Figures in INR	March 31, 2019	March 31, 2020
Opening of Net defined benefit liability	4,027,396	4,593,340
Service cost	463,395	606,504
Net Interest Cost	316,151	343,582
Re-measurements	(213,602)	1,152,452
Contribution paid to fund	0	0
Closing of Net defined benefit liability	**4,593,340**	**6,695,878**

Reconciliation of Expense in Profit and Loss Statement:

All Figures in INR	March 31, 2019	March 31, 2020
Present Value of Obligation as at the end of the year	4,593,340	6,695,878
Present Value of Obligation as at the beginning of the year	(4,027,396)	(4,593,340)
Benefit Paid	31,007	0
Actual Return on Assets	0	0
OCI	N/A	N/A
Expenses Recognised in the Statement of Profit and Loss(*)	**565,944**	**2,102,538**

* Total Leave Benefit cost included in Note 22 amounts to Rs. 2,102,538/- (Previous Year Rs. 565,944/-).

<u>Reconciliation of Liability in Balance Sheet:</u>

All Figures in INR	March 31, 2019	March 31, 2020
Opening net defined benefit liability / (asset)	4,027,396	4,593,340
Expense as above	565,944	2,102,538
Amount recognized outside profit & loss account	0	0
Employer Contributions	0	0
Closing net defined benefit liability / (asset)(*)	**4,593,340**	**6,695,878**

* Total Leave Encashment provision included in Note 12 and 17 amounting to Rs8,772,426/- (Previous Year- Rs. 6,669,888/-).

7. a. Current Tax: No provision for income tax is made in view of the current year loss and the accumulated losses of previous years available for set off.

   b.Deferred tax: 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. The treatment noted above is in accordance with the Indian Accounting Standard 12 “Taxes on Income/ Income Taxes” notified under Section 133 of the companies Act, 2013.

8. Work-in-Progress under Inventories as on 31.03.2020 includes realizable scrap comprising short length cables, quality defects cables, excess production cables for operational reasons, type approval cables and disputed returned cables. The above items are saleable with further processing and re-testing to the same or other customers. Due provision is made in respect of non-moving/ slow moving WIP inventories wherever necessary.

9. a. The Componentization of Fixed Assets have already been done at the time of capitalization of Fixed Assets. Further Componentization of Fixed Assets, at present is not technically felt appropriate by the Company.

b.As stipulated in Ind AS – 36, the company is of the view that assets employed in continuing business are capable of generating adequate returns over their useful life in the usual course of business. There is no indication to the company of impairment of any asset and accordingly the Management is of the view that no impairment provision is called for during the year.

10. The Company is manufacturing OF cables only and no other business was undertaken during the year 2019-20.

11. **Contingent Liabilities (Indian Rupees in Hundreds)**

(a) Claims against the company not acknowledged as debt:

(i) Commercial Tax Department had demanded a sum of Rs.1,86,088 as Additional Sales Tax in respectof Financial Year 2000-2001 and 2001-2002 (up to November 2001). The company has obtained a Stay from Madras High Court against the collection of above demand by depositing a sum of Rs.75,000 with Commercial Tax Department as directed by the High Court while granting the stay. As the demand is disputed, the same is not provided for in the accounts. The case came up for hearing during November, 2011and directions were issued to post the case along with the writ appeal before the Bench in another similar case where the judgment is in favour of the assessee. The writ petitions were heard by High Court, Madras, on 02-09-2015 and on 09-09-2015. On hearing the argument single Judge of High court Madras reserved the judgement. Orders are still not given by the Court.

(ii) The Sales Tax department has demanded a sum of Rs. 22,950 during the financial year 2006-07 for non-submission of "C" Forms from BSNL / MTNL pertaining to AY 2001-02, 2002-03 and 2003-04. The Government has exempted "C" forms in respect of inter-state sales to BSNL / MTNL. The company has represented to the Department and also referred the matter to BSNL / MTNL. Next hearing date is not yet fixed.

(iii) The Customs Authority has demanded an amount of Rs. 102,067 towards difference in classification of Optical Fibre during the year 2006-07. However, the order of the Commissioner of Customs has come in favour of the Company during the year 2009-10 dropping the proceedings. Department has gone for appeal against the order.The company has filed the Counter. The Tribunal vide its Final Order dated 19/12/2017 remanded the matter back to the Commissioner for fresh decision after the outcome of the case pending in Supreme Court on the issue of jurisdiction of DRI to issue the notice. As such, the issue has to be argued and decided afresh.

(iv) There is a demand from IT department for Rs.17,747 towards short deduction of TDS against interest payable to TCIL. We have represented the case with IT Department.

(v) Total penalty amounting to Rs. 47,76,640/- is levied by BSE and NSE stock exchanges pursuant to non compliance with SEBI (Listing Obligations and Disclosure Requirements) during the year 2018-19 and Rs. 38,37,360/- during the year 2019-20. The company has made written representation to the stock exchanges for waiver of this penalties.

b. Guarantees(Indian Rupees in Hundreds)

Guarantees arranged by TCIL in favour of the Company and issued by Banks outstanding as at March 31, 2020 is Rs. 5,12,047/- including expired Bank Guarantees to the extent of Rs. 1,02,169. (previous year Rs. 5,30,120 including expired Bank Guarantees to the extent of Rs. 1,10,243)

(Indian Rupees in Hundreds)

12. The Sales Tax department has demanded a sum of Rs. 45,835/- during the financial year 2018-19 pertaining to the years 2011-12 to 2015-16 for Tax on non-submission of C forms Rs. 14,354/-, ITC Reversal for CST sales without C forms Rs. 27,793/-, Tax on cross verification of buyer and seller Rs.3,430/- and TN vat 14.50% on disposal of movable assets Rs. 257/-. Provision for the same has been made in the books of accounts.

13. **Commitments**

(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for during the year is Rs. 'Nil' (previous year Rs. 'Nil').

(b) Uncalled liability on shares and other investments which are partly paid up during the year is Rs.'Nil' (previous year Rs.'Nil')

14. The Company has no long term operating lease. No financial lease has been availed during the year.

(Indian Rupees in Hundreds)

15. A demand was raised by Income Tax Department towards tax to be deducted at source on Royalty amounting to Rs.25,422 (for the years 2000-01 & 2001-02). The company, has however, paid the entire amount of demand, out of which Rs. 21,937 is kept as recoverable. Appeal filed by the company for the above is pending in the Tribunal.

(Indian Rupees in Hundreds)

16. A writ petition has been filed by the Company in Madras High Court during the year 2008 against BSNL for reducing the awarded rate during the scheduled delivery period, in one of their orders without giving effect to BSNL's amendment to the 'Fall clause' applicable from 01.08.2005. BSNL has rejected and returned the differential claim invoice of the company for Rs.1,39,913. The case is pending in Madras High Court.

17. Earnings per share

Particulars	**2019-20**	**2018-19**
Net Profit / (Loss) after tax as per the Statement of Profit & Loss (Rs.)	(14,61,51,718)	(15,70,54,668)
Weighted average number of equity shares used as denominator for calculating EPS	4,56,76,200	4,56,76,200
Basic and diluted earnings per share (Rs.)	-3.08	-3.44
Face value per equity share (Rs.)	10	10

18. (i) A civil suit has been filed by the company in Delhi High court on 31.03.2011 to stay the Advance Purchase Order issued by BSNL, HQ for supply of 42000 KMs of OFC. This is in addition to the purchase order issued during January, 2011 for supply of 18000 KMs. The order for OFC supply is with Nylon 12 jacketing and subsequently BSNL has changed the specification with HDPE Double sheathing. During the year 2011-12 BSNL has floated tender for 42000 KMs with the new specification. Initially the case was filed in Delhi High Court against the APO. Now the matter is transferred from Delhi High court to District court (Patiala House) for deciding the APO. Now the matter is in progress. Last hearing was held on 07.01.2020. Next date of hearing is 28.05.2020.

(ii)The Company has invoked Arbitration Clause during the year 2014-15 in respect of BSNL's short closure of the PO for supply of 18000 kms. The case is in progress under the Supreme Court of India. The next hearing date is not fixed.

19. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure relating to amounts unpaid as at the year- end together with interest paid / payable under this Act could not be ascertained.

20. Related Party Disclosures: Disclosures as required by the Ind AS-24 "Related Party Disclosures" are as given below:

List of Related Parties:

Associate Companies

1. Fujikura Ltd., Japan, Technical Collaborator & Equity Partner
2. Telecommunications Consultants India Ltd., (including fellow subsidiaries), Equity Partner

Key Managerial Personnel

1. Shri. Sanjeev Kumar Kesari, Managing Director (from 23.03.2018 to 13.11.2019) 2. Shri. P.V.Sreekanth, Managing Director (from 14.11.2019)
2. Shri. J.Ramesh Kannan, General Manager (F&A) (from 31.12.2016)
3. Smt. Swapnil Gupta, Manager (CS) (from 13.02.2019)

Transaction with Related Parties

(Indian Rupees in Hundreds)

Name of the Transaction	Associate Companies				Key Management Personnel	
	Fujikura Ltd. Japan		TCIL(including fellow subsidiaries)			
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
01. Purchase of Raw Material / Capital Goods	-	-	-	-	-	-
02. Managerial Remuneration	-	-	-	-	69,879	62,760
03. Trade Receivable(Net off Provision for Doubtful Debts)	-	-	1,98,646*	1,97,114*	-	-
04. Outstanding Balances including supply credits As on 31st March	2,00,036*	1,93,788*	99,13,884	91,23,263	-	-
05. Secured Loans as on 31st March	-	-	18,35,287	17,16,417	--	--

* Movement in balance includes exchange rate fluctuation

21. There is no reportable operating segment in terms of Paragraph number 13 of Ind AS 108 – Operating Segments.

(Indian Rupees in Hundreds)

22. In view of the commitment by the company to pay Telecommunications Consultants India Limited(theholding company) on demand basis, the company has taken a conservative approach to reflect the amount due of Rs.117,49,171at book value and not at fair value. Further since the aforesaid financial liabilities are current in nature there would only be an immaterial finance cost/income involved, on account of restatement of the balances to fair value.

23. Figures are rounded off to nearest rupee.

24. Figures of previous year have been regrouped/rearranged, wherever necessary, to conform to the current year's classification.

25. Particulars of Imports, Consumption etc.,

(a) Value of imports during the year - CIF Basis is nil (previous year nil)

(b) Expenditure in foreign currency during the year (on payment basis) is nil.(previous year nil)

(c)Consumption of imported and indigenous raw materials, spare parts and components is nil.

(previous year nil)

(d) Amount remitted in foreign currency during the year is nil.(previous year nil)

(e) Earnings in Foreign exchange (on realisation basis) is nil.(previous year nil)

(f) Dividends proposed to be distributed is nil.(previous year nil)

(g)Raw Materials Consumed is nil.(previous year nil)

(f) Amount payable / receivable in Foreign Currency (unhedged) on account of the following:

(Rupeesin Hundreds)

Particulars	2019-20		2018-19	
	Foreign Currency	**Amount**	**Foreign Currency**	**Amount**
Import creditors / Technology transfer fee	USD 191,690.00	144,630	USD 191,690.00	132,654
Import creditors through TCIL	USD 0.00	0	USD 0.00	-
Export Debtors	USD 24,522.29	18,502	USD 24,522.29	16,970

As per our report of even date attached
For R Bupathy& Co.
Chartered Accountants
Firm Regn No. 000525S

For and on behalf of Board of Directors

SD/-
CA V Thiagarajan
Partner
Membership no.203328

SD/-
PV SreekanthKamendra Kumar
Managing Director Chairman

SD/-
J.Ramesh Kannan
CFO

Place : Chennai
Date : 29th July 2020

INDEPENDENT AUDITOR'SREPORT

To

The Members of Tamilnadu TelecommunicationsLimited

Report on the Standalone Ind AS Financial Statements

Disclaimer of Opinion

We were engaged to audit the standalone financial statements of Tamilnadu Telecommunications Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equityand the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying Financials statements. Because of the significance of the matters described in the *Basis for Disclaimer Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Financial Statements.

Basis for Disclaimer Opinion

1) We are unable to obtain sufficient and appropriate audit evidence in respect of valuation of Raw materials held by the company in accordance with Ind AS 2 at lower of cost or net realizable value.
2) The company's liability in relation to provision for Gratuity and Leave encashment attributable to the employees created in the financial statements is inclusive of 60 number of employees who the company sent on deputation to its holding company during the FY 2018-19 and FY 2019-20.As per the terms& conditions of deputation order, contribution to gratuity and Leave encashment for each completed year of service or part thereof should be paid by to the company by its Holding Company. The company has not received any payments and no receivables accounted in books as on 31st Mar'2020. We were unable to ascertain the provision for gratuity & leave encashment as per Ind AS 19 overstated in books on account of these 60 employees.
3) The company has not carried out impairment testing in respect of the assets held by the company in terms of Ind AS 36.
4) The Company has not recognized the following financial liability/asset at Fair Value in terms of IndAS 109 (including comparative figures as of 31st March 2019):
    i) Amounts due to M/s Fujikura Limited amounting to Rs. 2,00,03,590/- (Previous Year- Rs. 1,93,78,840/-/)
    ii) Trade Receivables (considered good) amounting to Rs. 7,14,10,296/- (Previous Year- Rs. 7,12,57,092/-)
    iii) Unsecured Trade Payables amounting to Rs. 3,44,09,375/- (Previous Year – Rs. 3,31,07,285/-)
5) We were unable to obtain sufficient and appropriate audit evidence regarding the confirmation of balances carried in the debtors, creditors, advances & deposits payable / recoverable (other than Telecommunication Consultants India Limited) as specified in

Note No.s 3,5,8,14&15. The impact if any, on financial statements is not ascertainable.

6) As at 31st March 2020, the Company's accumulated losses of 1,61,67,22,395/- (including a loss of Rs. 13,77,36,218/- incurred during the FY 2019-20) 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. Based on the factors detailed in Note No. 28(Sl. No. 4) of the explanatory notes to the financial statements, the Management believes that the Going Concern assumption is appropriate but such conditions have not yet been fulfilled as of the date of this report.

We consider the impact of the above matters to be material and pervasive to the overall financial statements of the company.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance withthe accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud orerror.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with the Standards on Auditing and to issue an auditors' report. However, because of the matters described in the 'Basis for disclaimer of opinion' section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extentapplicable.
2. As required by the Section 143(3) of the Act we report that,

   a. As Described in the Basis for Disclaimer of opinion paragraph above, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of ouraudit.

b. Due to the possible effects of the matter described in the Basis for Disclaimer of opinion paragraph above, we were unable to state that proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. Due to the possible effects of the matter described in the Basis for Disclaimer of opinion paragraph above, we were unable to state that the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

d. Due to the possible effects of the matter described in the Basis for Disclaimer of opinion paragraph above, we were unable to state that the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. The matter described in the Basis for Disclaimer of opinion paragraph above, in our opinion, may have adverse effect on the functioning of the company.

f. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given tous:

   - Due to the possible effects of the matter described in the Basis for Disclaimer of opinion paragraph above, we were unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
   - Due to the possible effects of the matter described in the Basis for Disclaimer of opinion paragraph above, we were unable to state that the Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts.
   - There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses adverse opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

3. Report on the Directions issued by the Comptroller and Auditor General of India, under Section 143(5) of the Companies Act, 2013 for conducting audit of accounts for the year 2019-20 is given below: -

1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company maintains Tally ERP as the accounting program for maintenance of books of accounts. Tally being the only IT system used by the Company, not all transactions (including payroll processing, stock procurement, stock dispatch etc.,) are computerized thereby resulting in involvement of human intervention. There is no financial implication.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	In the current period under review (FY 2019-20), there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company, even though the Company is not regular in repayment of its dues (Principal and Interest) with respect to the borrowings from M/s Telecommunications Consultants India Limited being one of the promoters of Company.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	The Company did not receive any funds for specific schemes from Central/State agencies during the FY 2019-20.

For R. Bupathy& Co
Chartered Accountants
Firm Registration No. 000525S

SD/-
CA V. Thiagarajan
Partner
ICAI M. No. 203328

Place: Chennai
Date: 29th July 2020

Annexure " A " to the Auditor's Report
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Tamilnadu Telecommunications Limited of even date)

Based on the books and records produced before us and as per the information and explanations given to us and based on such audit check that we considered necessary and appropriate, we report that:

i) In respect of fixed assets,

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c) The title deeds of Immovable properties are held in the name of the Company.

ii) In respect of its inventories:

a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

b) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii) In our opinion and according to the information and explanations provided, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Hence, reporting under clause 3(iii)ofparagraph 3 oftheOrder is not applicable.

iv) In our opinion and according to the information and explanations provided, the Company has neither made any investments nor advanced any loan either to its directors or to any other person in whom the directors are interested or provided any guarantee or security. Therefore, compliance under section 185 and 186 of the Companies Act, 2013 as required under clause 3(iv) of paragraph 3 of the Order is not applicable.

v) The Company has not accepted any deposits from the public.Hence, reporting under clause 3(v) ofparagraph 3 of the Order is not applicable.

vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of nature of business carried out by the Company and therefore, clause 3(vi) of paragraph 3 of the Order is not applicable.

vii) In respect of statutory dues,

a) Undisputed statutory dues like Provident Fund, Employees' State Insurance, TDS and Property Tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases due to insufficiency of funds with the Company.

b) Following is the summary of statutory dues as at the last day of the financial year outstanding for a period of more than six months from the date they become payable.

Name of the Statute	Nature of the Dues	Amount	Period
Employees' State Insurance Act	Employer and Employee Contribution	10,839	July'18 to Sep' 2019
The Employees' Provident Funds And Miscellaneous Provisions Act	Employer and Employee Contribution	68,50,900	July'18 to Sep' 2019
The Employees' Provident Funds And Miscellaneous Provisions Act	Voluntary Contribution of Employee	8,42,478	July'18 to Sep' 2019
Income Tax Act	TDS Payable-Interest Charges	8,86,248	Apr'18 to Sep' 2019
Municipal Tax	Property Tax	51,47,950	Since 2009-10 to 2019-20(Apr'19 to Sep'19)
Total		**13,738,415**	

c) The details of disputed dues of Sales Tax and Duties of Customs which have not been deposited as on 31st March 2020 are as given below:

Statute	Nature of Dues	Amount(Rs.)	Forum where dispute is pending	Remarks
Sales Tax	Additional Sales Tax(FY 2000-2001 & 2001-2002)	1,86,08,794	High Court of Madras	Recognized as Contingent Liability in Balance Sheet
Sales Tax	Non-Submission of C-Forms(AY 2001-02, 02-03 and 03-04)	22,95,000	Commercial Sales Tax Department	Recognized as Contingent Liability in Balance Sheet
Duty of Customs	Difference in Classification of imports(FY 06-07)	102,06,795	Commissioner of Customs	Recognized as Contingent Liability in Balance Sheet
Income Tax	Default in Traces Website	17,74,729	Income Tax Department	Recognized as Contingent Liability in Balance Sheet
Sales Tax	VAT on disposal of Movable Assets(FY 2011-12 to 2015-16)	25,725	Assistant Commissioner(CT)	Provision created in books
Sales Tax	Tax on cross verification of buyer and seller(FY 2013-14)	3,43,057	Assistant Commissioner(CT)	Provision created in books
Sales Tax	Tax on Non Submission of C Forms(FY 2012-13 to FY 2015-16)	14,35,408	Assistant Commissioner(CT)	Provision created in books
Sales Tax	ITC Reversal for CST sales without C Form(FY 2012-13 to FY 2014-15)	27,79,291	Assistant Commissioner(CT)	Provision created in books
TOTAL		**3,74,68,799**		

viii) The Company has not borrowed any sums from Banks or Financial Institutions or Debenture holders and hence the question of default in repayment of dues to Banks or Financial Institutions or Debenture holders and reporting under clause 3(viii) ofparagraph 3 of the Order does not arise.

ix) The Company has not raised any moneys by way of initial public offer or further public offer and term loans during the year and hence reporting under clause 3(ix) of paragraph 3 of the Order is not applicable.

x) According to the information and explanations provided to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals and within the ceiling limit as per the provisions of Section 197 read with Schedule V of the Act.

xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) of paragraph 3 of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.Accordingly, clause 3(xiv) of paragraph 3 of the order is not applicable.

xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of paragraph 3 of the order is not applicable.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934.Accordingly, paragraph 3(xvi) of the order is not applicable.

For **R. Bupathy & Co**
Chartered Accountants
Firm Registration No. 000525S

SD/-
CA V. Thiagarajan
Partner
ICAI M. No. 203328
Place: Channai
Date: 29th July 2020

Annexure "B" to the Independent Auditor's Report

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

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

We have auditedthe internal financial controls over financial reporting of Tamilnadu Telecommunications Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

III. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2020.

1. The company did not have an appropriate internal control system measures for inventorieswith respect to valuation in accordance with Ind AS 2 which could potentially result in material misstatements in the company's inventory account balance.
2. The company did not have an appropriate internal control system measures for obtaining confirmation of balances debtors & vendors which could potentially result in material misstatements in the company's trade payables and receivables account balances.
3. The company did not have an appropriate internal control system measures for carrying out impairment testing in terms of Ind AS 36in respect of the assets held by the company which could potentially result in material misstatements in the company's fixed assets account balances.
4. The company did not have an appropriate internal control system measures with respect to valuation of financial liability/asset at Fair Value in terms of Ind AS 109.
5. The company did not take any corrective measures to ascertain and account for the receivables from holding company in respect of gratuity & leave encashment of 60 employees deputed to the holding company as per Ind AS 19.

In our opinion, because of the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of 31st Mar'2020, based onthe internal control over financial reporting criteria establishedby the Company considering the essential components of internalcontrol stated in on the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have also considered the material weaknesses identified and reported above in determiningthe nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone financial statements of the Company, and these material weaknesses has affected our opinion on the standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements.

For R. Bupathy & Co
Chartered Accountants
Firm Registration No. 000525S

SD/-
CA V. Thiagarajan
Partner
ICAI M. No. 203328

Place: Channai
Date: 29th July 2020

Compliance Certificate

We have conducted the audit of accounts of Tamilnadu Telecommunications Limited for the yearended 31st March 2020 in accordance with the directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

For R. Bupathy& Co
Chartered Accountants
Firm Registration No. 000525S

SD/-
CA V. Thiagarajan
Partner
ICAI M. No. 203328

Place: Chennai
Date: 29th July 2020

TAMILNADU TELECOMMUNICATIONS LIMITED

Internal/Concurrent Audit Report
Quarter IV - JANUARY’20 to MARCH’20

R. Sundararaman & Co.,
Chartered Accountants

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I OPERATIONAL PERFORMANCE

1.1 Production, Dispatches and Sales

- There is no production and dispatch in Quarter IV of 2019-20 as the Company has no orders in hand due to insufficient working capital and non-availability of raw fiber from Fujikura.

Company's Reply :

Fujikura has informed the Company that they would not be in a position to supply Fiber to the Company due to unsettled overdue amount of Rs. 2.00 Crs to Fujikura. Subsequently there have been discussions between TCIL and Fujikura on the pending dues, but no progress till date.

1.2 Profitability for the Quarter

The provisional profitability for Quarter IV (2019-2020) as per the Books of Accounts provided by the Company is as below:

(Rs. in lacs)

Particulars	For the year 2019-20	Qtr IV 2019-20	Qtr IV 2018-19
Income			
Sales (Net of Excise Duty)		-	-
Other Income	2.41	0.64	3.36
Total Income	**2.41**	**0.64**	**3.36**
Expenditure			
Materials consumed		-	-
Increase / (Decrease) in stock		-	-
Emp. Remuneration & Benefits	259.79	66.93	118.27
Mfg. & Other Expenses	133.83	75.42	84.29
Total Expenditure	**393.62**	**142.35**	**202.56**
Profit / (Loss) before Interest & Depreciation.	**(391.21)**	**(141.71)**	**(199.20)**
Finance Charges	903.15	216.59	225.16
Profit/(Loss) after Interest before Depreciation	**(1294.36)**	**(358.30)**	**(424.36)**
Depreciation/Amortization	29.46	7.31	7.36
Exceptional items	-	-	22.91
Net Profit / (Loss) before Tax	**(1323.82)**	**(365.61)**	**(454.63)**
Net Profit / (Loss) after Tax	**(1323.82)**	**(365.61)**	**(431.72)**

Note:

- It may be observed from the above table that the Company has incurred Net Loss of **Rs.365.61** lakhs in current quarter as compared to Net Loss of **Rs.431.72** lakhs previous year Quarter IV and incurred a Net Loss of **Rs.1323.82** lakhs during the year.

- Prior to depreciation and after interest, the Company has incurred Loss of **Rs.358.30** lakhs as compared to Loss of **Rs.424.36** lakhs in the previous year Quarter IV. The reason for reduction in losses is due to reduction in Employees Remuneration and reduction in Other expenses.

- There has been no production since August 2017. Even prior to this period, the production was insignificant. The stoppage of production / nominal production is resulting in piling losses.

- The Company is not in a position to execute orders due non-availability working capital and non-availability of main raw material fiber.

- **It was informed to us that the Company was under BIFR monitoring which has expired. Revised DRS considering the present scenario of continued losses is yet to be submitted to NCLT. Unless the Company takes steps to increase its capacity utilization, the Company will continue to incur huge losses.**

Company's Reply :

The Company could not recover even its fixed cost, due to stoppage of production on account of non availability fiber / working capital.

Regarding the submission of modified DRS, the process is still on and necessary projections can be made only after the decision of restructuring is taken by the Company's promoters.

1.3 Electricity Dues

The power connection has been disconnected in the factory since August 2018 on account of nonpayment of electricity dues.

Due to the same, the Office staffs of the Unit are presently working at TTL Registered Office at Chennai instead of their office at the factory premises in Maraimalai Nagar.

The total electricity due as per Tally as on 31.03.2020 is Rs. 3.08 lakhs.

1.4 Funds Position

At present the Company is entirely dependent on TCIL for its day to day working capital requirements like payment of salary, administration expenses, statutory dues etc., as there is no revenue generation by the Company.

II BORROWINGS

2.1 Bridge Loan from TCIL

The status of Bridge Loan from TCIL is as below:

(Rs. In lakhs)

Name	OB as on 01.01.2020	Amount Received	Amount paid	CB as on 31.03.2020
TCIL	1165.73	-	-	1165.73
Total	**1165.73**	**-**	**-**	**1165.73**

There is no change in the Bridge Loan principal amount as compared to previous quarter.

The Bridge loan from TCIL is secured on all the fixed assets as well as current assets of the Company, as at present and acquired in future.

2.2 Interest Payable TCIL Bridge Loan for 2019-20

The detail of Interest payable on Bridge Loan up to 31.03.2020 is as below:

Particulars	Rs. in lakhs
Interest Payable for the year (Four Quarters) Less: Paid / Adjusted Less: TDS for the above	132.08 - 13.21
Net Payable	**118.87**

2.3 Interest Payable TCIL Working Capital for 2019-20

The details of Interest payable TCIL Working Capital up to 31.03.2020 is as below:

Particulars	Rs. in lakhs
Interest Payable for year (Four Quarters) Less: Paid / Adjusted Less: TDS for the above	176.29 0.08 17.63
Total	**158.58**

2.4 Interest Payable TCIL Material Loan Old and New for 2019-20

The detail of Interest payable on Material loan old and new up to 31.03.2020 is as below:

Particulars	**Rs. in lakhs**
Interest Payable for year (Four Quarters) Less: Paid / Adjusted Less: TDS for the above	592.09 - 59.21
Total	**532.88**

2.5 Summary of Interest Payable

The net interest outstanding up to 31.03.2020 works out as below:

(Rs. In Lakhs)

Particulars	**Outstanding as on 31.03.2020**
TCIL Material Loan Old and New (including previous year outstanding)	2125.31
TCIL Bridge Loan (including previous year outstanding net of TDS	669.56
TCIL Working Capital (including previous year outstanding)	294.20
Total	**3089.07**

Note: The Company has deducted TDS @ 10% during the year amounting to Rs.90.05 lakhs and not yet paid and the TDS deducted on interest for the last year amounting to Rs.8.86 lacs is also not yet remitted.

Company's Reply :

Due to severe crisis of raw materials/working capital support and interest burden, the Company's financial position did not permit the Company to settle the bridge loan from TCIL and could not remit TDS on interest for the last year amounting to Rs.8.86 lakhs.

2.5 BIFR / NCLT Monitoring

As may be observed from the performance of the Company over the past years, the Net worth of the Company has been eroding and the performance is not showing any sign of improvement. Though the Company was under BIFR monitoring which has expired, a modified DRS needs to be submitted to NCLT containing the revised projections of the Company and the consequent positive Net Worth.

Company's Reply :

Regarding submission of modified DRS, the restructuring part has to be decided first in order to bring the net worth to positive from the present negative status. Necessary projections can be made only after the decision of restructuring is taken by the Company's promoters.

III SUNDRY DEBTORS

3.1 Age Analysis of Debtors

We give below the Group wise age analysis of debtors as on 31.03.2020:

(Rs. in lakhs)

Particulars	0-30	30-60	60-90	90-180	180-360	360-720	>720	Total
Export Debtors	-	-	-	-	-	-	20.39	20.39
Govt. Debtors	-	-	-	-	-	-	1215.21	1215.21
Non Govt. Debtors	-	-	-	-	-	-	65.96	65.96
JFTC Debtors	-	-	-	-	-	-	144.06	144.06
TCIL Debtors	-	-	-	-	-	-	165.71	165.71
Grand Total	**-**	**-**	**-**	**-**	**-**	**-**	**1611.33**	**1611.33**
Percentage	**-**	**-**	**-**	**-**	**-**	**-**	**100%**	**100%**

Note:

- The above receivables position is after adjustment of the credit balances in Debtors Accounts.
- **There is no movement / change in Debtors as compared to last quarter.** Most of them comprise Government Clients amounting to **Rs.1215.21** lakhs and as said in our earlier reports the major amount is due from BSNL. The dues from Government Debtors works out to **75.42%.**

3.2 Provision for Bad and Doubtful Debts

As mentioned in our previous reports, the provision towards bad & doubtful debts as on 31.03.2020 stands at Rs. 897.26 lakhs. The breakup of the same is as below:

S.No.	Description	Rs. in Lakhs
1	Provision for LD	28.31
2	Provision for LD BSNL	392.76
3	Provision for Doubtful debt BSNL	344.64
4	Provision for Doubtful debt JFTC	131.55
	Total	**897.26**

Note: The above provision made towards dues from BSNL and JFTC Debtors. Thus the total provision towards doubtful debts stands at Rs. 897.26 lacs.

The details of Party-wise break up of provision for bad debts are as below:

S.No.	Party Name	Rs. in Lakhs
1	Telecommunications Consultants India Ltd	11.00
2	Power Grid Corporation Ltd (PGCIL)	13.42

S.No.	Party Name	Rs. in Lakhs
3	Bharat Sanchar Nigam Ltd (BSNL)	745.03
4	Defence	9.63
5	MTNL	4.26
6	Railways	32.65
7	Bharat Broadband Network Ltd (BBNL)	39.91
8	Non Government Sundry Drs	36.45
9	BSNL WTR	4.91
	Total Provision as on 31.03.2020	**897.26**

3.3 Net Realisable Debtors as on 31.03.2020

The position of Net Realisable Debtors as on 31.03.2020 is as below:

(Rs. in lacs)

Particulars	Non Govt Debtors	Export Debtors	Govt Debtors	JFTC Debtors	TCIL Debtors	Total
Opening as on 01.01.2020	65.96	20.39	1215.21	144.06	165.71	**1611.33**
Add : Sales during Quarter I Exchange Fluctuation Gain	 - -	 - -	 - -	 - -	 - -	 **-** **-**
Less :						
Payments received during Qtr I	-	-	-	-	-	**-**
Closing Debtors as on 31.03.2020	65.96	20.39	1215.21	144.06	165.71	**1611.33**
Provision as on 31.03.2020						**(897.26)**
Net Realisable value of Debtors as on 31.03.2020						**714.07**

Company's Reply:

Major outstanding dues are from BSNL. Out of the old dues, around Rs.3.40 crs is the arbitration case which has been finalized and speaking order issued in favour of the Company. But BSNL has again gone for appeal in the Court.

Rs. 1.40 Crs from STP is under Madras High Court. It may be listed in the first week of August 2019.

For balance old cases, the same is being reviewed for follow up. With the minimum staff available in marketing all out efforts from Company's side are continuously taken to realize maximum outstanding. A Committee has been constituted to concentrate on old debtor's realization. Most of the clients Govt/Govt. organizations procedural aspects delay the process. Shortage of staff is one of the major reasons, which restricts from vigorous follow up.

IV SUNDRY CREDITORS

4.1 Age Analysis of Creditors

We give below the Group wise age analysis of creditors as on 31st March 2020:

(Rs. lakhs)

Particulars	0-30	30-90	90-180	180-360	360-720	> 720	Debit Balance	Total
SSI Units	-	-	-	-	-	83.94	(41.93)	42.01
TTL	-	-	-	-	-	600.36	(321.55)	278.81
TCIL	-	-	-	-	-	22422.68	(14118.50)	8304.26
Others	-	-	-	-	-	18.67	(2.80)	15.86
Total	**-**	**-**	**-**	**-**	**-**	**23125.65**	**(14484.78)**	**8640.95**

- The Total Creditors as on 31st March 2020 stands at **Rs.8640.95** lakhs as compared to **Rs. 8527.24** lakhs in the last quarter. Thus, the total dues to creditors have increased by **Rs.113.71** lakhs. The increase is on account of increase in dues to TCIL. There is no change in the balances of other creditors.

- It may be observed that the total Sundry creditors were **Rs.8640.95** lakhs, out of which the TCIL alone constitute **Rs.8304.26** lakhs as on 31.03.2020.

- TCIL Creditors represents payment made by TCIL to various creditors on behalf of the Company and working capital assistance extended to the Company from 2007-08 onwards.

4.2 Supports by TCIL

The Promoter M/s. Telecommunications Consultants India Ltd is helping the Company even prior to implementation of BIFR Sanctioned Scheme through their extended input based Raw material supply with one year deferred payment credit, which carries interest rate of SBI Base Rate + 3.5% till 31.12.2015 and thereafter SBI base rate of 2.5% from 01.01.2016.

It also passes its export orders to the Company wherever the supplies of optical fiber cables are in the scope.

TCIL had to provide extended input based supplier credit to keep up the manufacturing operations of the Company for more than 10 years.

The Company has been granted input based supplier credit by TCIL out of which the amount availed and outstanding in the credit of TCIL towards the extended supplier credit is **Rs.8304.26 lakhs** as on 31.03.2020 (previous quarter III stands at Rs. 8196.16 lakhs) which carries interest rate of SBI Base Rate +3.5% as per agreed terms. The detailed breakup of the TCIL various accounts as per books of account tabulated below:

(Rs. in lacs)

Particulars	**Opening balance**	**Debit**	**Credit**	**Closing balance**
Sundry Creditors (TCIL) - 2007-08 Onwards	12320.88			12320.88
Finance Chrgs. Payable on Supl. Credit	5757.11	584.46	692.56	5865.21
TCIL's Ext. Supplier Credit From 2007-08	(13916.54)	-	-	(13916.54)
Trfr. Out - Intra TCILA/c to WCA (Contra)	3823.54			3823.54
TCIL Handling Charges	211.17			211.17
Grand Total	**8196.16**	**584.46**	**692.56**	**8304.26**

V INVENTORY

5.1 Raw Materials

There is no Movement / change in the Stock of Raw Materials as on 31st March 2020 as compared to last quarter as there is no production since August 2017. The total stock of raw materials is **Rs. 199.29** lakhs.

The Slow Moving Raw materials provision as on 31st March 2020 is **Rs.86.65** lakhs.

5.2 Other Stocks

We give below the summary of other stock as on 31.03.2020:

(Rs. In lakhs)

Particulars	As on 31.03.20	As on 31.12.19	As on 30.09.19	As on 30.06.19	As on 31.03.19	As on 31.12.18
Spares & Consumables	14.87	14.87	14.87	14.87	14.87	14.87
Scrap	1.30	1.30	1.30	1.30	1.30	1.30
Total	**16.17**	**16.17**	**16.17**	**16.17**	**16.17**	**16.17**

The Slow Moving other stocks provision as on 31st March 2020 is Rs. 16.17 lakhs.

5.3 Work in Progress

The total Work-in-Progress as on 31.03.2020 is **Rs.204.81** lakhs and there is no change as compared to the previous quarter.

(Rs. in lakhs)

Particulars	Current Quarter 31.03.2020	Previous Quarter 31.12.2019
WIP – Jacketing	182.98	182.98
WIP – Sheathing	8.92	8.92
WIP - Loose Tube	0.17	0.17
WIP – Ribbon	4.11	4.11
WIP – Coloring	8.11	8.11
WIP – Stranded core	0.46	0.46
WIP – Fillers	0.06	0.06
Total	**204.81**	**204.81**

There is no change in WIP as compared to previous quarter as there has been no production during the quarter. The Slow Moving WIP stocks provision as on 31st March 2020 is Rs. 114.40 lakhs.

5.4 Summary of Inventory

We give below the summary of inventory as on 31st March 2020 and its movement over the last 15 months:

(Rs. lakhs)

Particulars	As on 31.03.2020	As on 31.12.2019	As on 30.09.2019	As on 30.06.2019	As on 31.03.2018	As on 31.12.2018
Raw Material	199.29	199.29	199.29	199.29	199.29	199.29
W.I.P	204.81	204.81	204.81	204.81	204.81	204.81
Scrap	1.30	1.30	1.30	1.30	1.30	1.30
Stores & Spares	14.87	14.87	14.87	14.87	14.87	14.87
Total	**420.27**	**420.27**	**420.27**	**420.27**	**420.27**	**420.27**

It may be observed that there is no change in inventory over the last 12 months.

5.5 Summary of Slow / Non-Moving Inventory

We give below the summary of Slow / Non Moving stock that are lying unused for more than 180 days as on 31st March 2020 is as follows :

Particulars	Inventory > 180 days as on 31.03.2020
Raw Materials	149.71
Work-in-Progress	84.78
Spares stock	14.87
Scrap stock	1.30
Total	**250.66**

Necessary provision to be made In the books towards slow and non moving materials.

Company's Reply :

Some of the WIP inventory (Jacketed cables) are short length cables, type approval cables etc., which cannot be supplied to regular clients. Accordingly Provision has been made.

Efforts are taken to dispose in a phased manner. The movement will be slow only as the company has to identify and get orders from private parties matching to the specification. Marketing team is trying to dispose the slow moving available stock.

Regarding the balance available jacketed cables of 24F OFC pertaining to earlier BSNL order, efforts are being made to identify parties for disposal at discounted rates, as advised by the Board. **MD, TTL has written letter recently to BBNL regarding disposal of 200 KM cables for Bharat Net project. Approval is being taken in the coming Board Meeting to dispose off through auction.**

VI OTHER AREAS

6.1 Sales

The Company has not made any Sales during Quarter IV – 2019-20.

6.2 Purchases

The Company has not made any Purchases during Quarter IV – 2019-20.

6.3 Cash

Cash vouchers are attached with supporting documents and no cash payment made above Rs. 10,000/- was made during the quarter. The closing cash balance as on 31.03.2020 is Rs. Nil.

6.4 Bank

We verified Bank Reconciliation Statements of ICICI Bank and Indian Bank for Quarter IV and no discrepancy observed. Further, observed that there are no stale cheques in both the Banks as on 31.03.2020.

6.5 ICICI Bank Account/ Indian Bank Account

The Company has Current Account with ICICI Bank and Indian Bank. The total volume of month wise transactions for the quarter January to March 2020 is as below:

- **ICICI Bank**

(Rs. in lakhs)

Month	Opening Balance	Deposits	Withdrawals	Closing Balance
January	0.23	-	-	0.23
February	0.23	-	-	0.23
March	0.23	-	0.12	0.11

- **Indian Bank**

(Rs. in lakhs)

Month	Opening Balance	Deposits	Withdrawals	Closing Balance
January	3.94	3.94	4.75	3.13
February	3.13	5.24	5.65	2.72
March	2.72	6.60	5.48	3.84

- The nature of transactions made by the Company with the two banks are as given below:

(Rs. in lakhs)

Name of Bank	Opening Balance	Deposits	With drawals	Closing Balance	Purpose
ICICI Bank	0.23	-	0.12	0.11	For daily transactions
Indian Bank	3.94	15.78	15.88	3.84	For payment of statutory Dues

The above balances given are as per Tally.

6.6 Statutory Dues

We verified the remittance of statutory dues for the current Quarter and our observations tabulated below:

- **Provident Fund**

The Company has not remitted Provident Fund from July 2018 to March 2020 amounting to Rs.77,56,935/-

- **ESI**

The Company has also not remitted ESI for July 2018 to March 2020 amounting to Rs.10,839/- as per Tally.

- **GSTR Returns**

GSTR 1 & GSTR 3B for the period from January to March has been filed. Inputs for Quarter IV as per Tally are given below:

Period	CGST	SGST	IGST
Jan to March 2020	2,63,034	2,63,034	66,091

- **TDS**

TDS on Salary, Professional and Contractors payments have been remitted up to February 2020 and the same for March 2020 is pending. **TDS on Interest provision to TCIL for current year amounting to Rs.90.05 lacs and TDS for last year amounting to Rs.8.86 lakhs has not been remitted till date.**

- **Professional Tax**

As mentioned in our previous report, professional Tax amounting to **Rs.1,19,170/-** due up to March 2020 has not been remitted.

- **Property Tax Payable**

Property Tax of Rs.57.19 lakhs is due to Marimalai Nagar Town Panchayat and the same is due from 2008-09 onwards. The Breakup of Property Tax is as follows:

Year	Property Tax	Paid	Cumulative Balance (Rs.)
From 2008-09 HY II to 2018-19 HY I & II	Rs. 268950/- per HY		56,47,950
Less : Paid on 31.03.2017 Add: up to 31.03.2020	 5,70,900	5,00,000	(5,00,000) 5,70,900
Balance Outstanding			**57,18,850**

6.7 Status of Legal Cases/Contingent Liabilities

As mentioned in our Previous Report, there is no change in the status of the various legal cases and contingent liabilities as on 31.03.2020. The details of the various cases based on the details provided by the Company are as below :

a) Legal Disputes

SL No	Arbitration /Court Cases Details	Current Status
1	Petition filed at Madras High Court against BSNL-STP for Nonpayment of more than Rs.100 Lakhs due to fall clause	Case was listed on 30.09.2019 for final hearing. The arguments went on for around 1 hour. **The order was ducted in the open court. Writ Petition dismissed. Applied for order copy. We can file writ appeal against the order.**
2	BSNL against 18000 Kms supply	SLP against encashment of PBG for 2.76 Crores. The Hon'ble Supreme Court issued notice to BSNL which was accepted by their counsel. The Hon'ble Supreme Court directed BSNL to file counter affidavit and directed listing of SLP in first week of March 2017 and at the same time continued the above interim order till the next date of listing. In view of the above stay granted by the Hon'ble Supreme, court of India. **The both PBGs are kept alive as per court direction. The rejoinder before Supreme Court is to be submitted, if required.**
3	Civil suit filed in Delhi High court by TTL against 42000 Kms of 24F OFC APO	EMD BG against 1.12 Crs. BSNL filed a fresh application for arbitration. On 06.01.2018 hearing held for maintainability of the BSNL application. Hearing held. Order to be pronounced before 27.10.2018. **BSNL requested for arbitration after seven years. TTL objected for it. Next date of hearing on 28.05.2020.**

SL No	Arbitration /Court Cases Details	Current Status
4	Arbitration BSNL old case TTL vs BSNL	Arbitrator passed first award dt. 14.01.2005. Arbitrator issued second award dt. 14.11.2014 to return the LD amount of around Rs.3.09 Crores + 7% Interest. Arbitrator awarded to pay TTL the LD amount deducted by BSNL. BSNL HQ challenged the award. **Pending before Delhi High Court for final argument.**
5	Railtel Arbitration case	Arbitrator finally awarded to replace the 220 Kms of OFC lying unused for an amount of Rs. 81,41,000/-. TTL challenged the arbitration award before the Hon'ble High court – Arbitration bench and included in the final list for argument. **Next hearing is on 23.04.2020.**

b) Contingent Liabilities

Contingent Liability	Case if any	Current Status
The Customs Authority has demanded Rs. 31.55 Lakhs towards difference in classification of Fiber during the year 2006-07. However, the order of the Commissioner of Customs has come in favor of the Company during the year dropping the proceedings.		Though the order is in favor of the Company, the Department has gone for appeal. **The Company has filed the counter.**
Demand raised by Income Tax Department towards tax to be deducted at source on Royalty amounting to Rs. 25.41 Lakhs (2000-01 & 2001-02). The Company has however paid the entire amount of demand, out of which Rs. 21.94 Lakhs is kept as recoverable in Loans & Advances.		Appeal for the above is pending in Tribunal.
Commercial Tax Department had demanded a sum of Rs. 186.09 Lakhs as additional Sales Tax in respect of Financial Year 2000 -2001 and 2001-2002 (up to November 2001). The Company has obtained stay from Madras High Court against the collection of above demand by depositing a sum of Rs.75 Lakhs with Commercial Tax Department as directed by High Court, while granting the stay. As the demand is disputed, the same is not provided for in the accounts. Relief/exemption requested in DRS submitted to BIFR.		Deposit of Rs. 75 Lakhs with Commercial Tax Department. As per the BIFR Sanctioned Scheme, matter has been followed up with Commercial Tax Authorities for consideration to be withdrawn. The case came for hearing in High Court on 16.11.2011. Another High Court case decision on similar case in favor of assessed was quoted, on which Dept. has filed a writ appeal against the decision. The Judge directed the matters of the Company to be posted along with the writ appeal before the Bench. It may be decided in favor of the Company in next hearing**. The hearing was conducted on 02.09.2015 and 09.09.2015. The order is yet to be issued by the Court.**

Contingent Liability	Case if any	Current Status
The Sales Tax Department has demanded a sum of Rs.22.95 Lakhs during the financial year 2006-07 for non submission of “C” Forms from BSNL /MTNL pertaining to AY 2001-02, 2002-03 and 2003-04. The Government has exempted “C” Forms in respect of interstate sales to BSNL/MTNL. The Company has represented to the Department. The Company has also referred the matter to BSNL/MTNL. Relief/ exemption requested in the DRS submitted to B IFR.		As per the BIFR Sanctioned Scheme, matter has been followed up with Commercial Tax Authorities for consideration to be withdrawn. **We were informed that Case was listed on 30.09.2019 for final hearing. The arguments went on for around 1 hour. The order was ducted in the open court. Writ Petition dismissed. Applied for order copy. We can file writ appeal against the order.**

6.8 Expired Bank Guarantees as on 31.03.2020, but not Reversed

S.No	Guarantee No	Date of Issue	Date of Exp	Amount	Type of BG
1	005GM01093640001	30.12.09	31.03.10	8,63,020	PBG
2	005GM01110270002	27.01.11	28.02.12	88,290	PBG
3	005GM01092740001	01.10.09	31.03.11	12,43,025	PBG
4	005GM01080540002	23.02.08	22.02.10	3,44,250	PBG
5	005GM01080540003	23.02.08	18.01.11	25,000	PBG
6	005GM01080540001	23.02.08	20.01.10	24,01,744	PBG
7	003GM01081440001	23.05.08	22.12.08	1,72,437	ABG
8	005GM01100040001	04.01.10	03.01.12	14,74,200	PBG
9	005GM01100490001	18.02.10	17.02.12	5,40,000	PBG
10	005GM01113040001	31.10.11	30.10.13	2,24,725	PBG
11	005GM01122840002	10.10.12	09.10.14	92,499	PBG
12	005GM01122860001	12.10.12	11.10.14	38,541	PBG
13	005GM01132640001	21.09.13	20.09.15	11,10,616	PBG
14	005GM01150780002	19.03.15	30.09.15	2,45,544	PBG
15	005GM01141700001	19.06.14	18.06.17	2,22,900	PBG
16	005GM01153520004	18.12.15	28.02.18	1,30,200	PBG
17	003GM01160910002	31.03.16	02.03.19	10,00,000	PBG
	Total			**10216991**	

- **Unexpired Bank Guarantees outstanding as on 31.03.2020**

S.No	Guarantee No	Date of Issue	Date of Exp	Amount	Type of BG
1	003GM01100390002	08.02.10	30.06.20	21,87,720	PBG
2	543/LG/290/10	29.09.10	30.06.20	112,00,000	BB
3	543/LG/344/10	13.12.10	30.06.20	153,00,000	PBG
4	543/LG/350/10	27.12.10	30.06.20	123,00,000	PBG
	Total			**409,87,720**	

Company's Reply :

<u>(A) Expired Bank Guarantees:</u>
In most of the expired PBG cases, there are some dues (withheld) from the clients which are being followed up for settlement. Due to these dues, the Company is not in a position to issue no claim certificate in order to get the PBGs. However, continuous efforts are being taken to get back the expired BGs as early as possible by settling down the pending issues though the client can't encash any expired bank guarantees.

<u>(B) Live Bank Guarantees</u>
Out of Rs. 4.52 crs unexpired bank guarantees, the major amount of BGs valuing Rs.3.88 crs are towards BSNL tender dt. 07.09.2010 for supply of 60000 KMs (PO for 18000 + PO for 42000).

(i) Sl. no.2 is for bid bond guarantee. TTL participated tender for supply of 60000 kms of 24F OFC. TTL became L-1 and 30% bid qty 18000 km was awarded to TTL. BSNL again placed order on TTL for 42000 km which is over and above the manufacturing capacity of 20220 KM. TTL did not accept the additional order. BSNL issued show cause notice for encashing the EMD BG of Rs.1.12 crs. TTL filed a stay order.

(ii) Sl. no 3 & 4. TTL to supply 18000 Km 24F cable. Due to worldwide scarcity of raw material Nylon-12, TTL could not complete the order. TTL invoked arbitration. Arbitrator awarded to encash the bank guarantees of Rs. 2.76 crs. TTL challenged the award before Delhi High Court (Single Judge). Single bench confirmed the arbitrator award to encash the PBGs. TTL challenged the judgment in the Supreme Court.

6.9 Fixed Assets Additions

The Company has **not made any additions** to Fixed Assets during Quarter IV.

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 : ttlcosec@rediffmail.com, website :

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

(Amount in Hundreds of Rupees)

Particulars	Quarter ended 31.03.2020	Quarter ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
	(audited)	(audited)	(audited)	(audited)
Total income from Operations	643	3,358	2,411	5,461
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(4,49,774)	(4,31,713)	(14,07,977)	(15,70,547)
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(4,49,774)	(4,31,713)	(14,07,977)	(15,70,547)
Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(4,49,774)	(4,31,713)	(14,07,977)	(15,70,547)
Total Comprehensive Income for the period (comprising Profit/(Loss) for the period after tax and Other Comprehensive Income (after Tax)	(5,03,314)	(4,54,628)	(14,61,517)	(15,93,462)
Equity Share Capital	45,67,620	45,67,620	45,67,620	45,67,620
Reserves (excluding Revaluation Reserve)	(162,51,379)	(147,89,861)	(162,51,379)	(147,89,861)
Earnings Per Share (of Rs.10 each) (for continuing and discontinued operations) in Rupees				
1)Basic	(0.98)	(0.95)	(3.08)	(3.44)
2)Diluted	(0.98)	(0.95)	(3.08)	(3.44)

Notes:-

1) The Ind AS compliant interim unaudited standalone financial statements for the corresponding Nine months ended 31/03/2020 have been prepared in accordance with the regulations and measurement principles laid down in Ind AS-34- “Interim Financials 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 quarter have been stated in terms of SEBI circular no. CIR/CFD/FAC/62/2016 dated

2) The above is an extract of the detailed format of Quarterly / Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly / Annual Financial Results are available on the Stock Exchange websites(National Stock exchange of India Limited (www.nseindia.com) & BSE Limited (www.bseindia.com) and the Company Website (www.ttlofc.in).

For and on behalf of the Board of Directors

SD/-

Place: New Delhi
P.V.Sreekanth

Date : 29th July 2020
Managing

Director