



TAMILNADU TELECOMMUNICATIONS LIMITED

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

OPTICAL FIBRE CABLE DIVISION



Works : E18B-24, CMDA Industrial Complex, Maraimalai Nagar - 603 209. Phone : (044) 27453881, 27452406, 27451095, Telefax : +91-44-27454768

TTL/NSE/BSE/2022-23

Dt.27.05.2022

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

SUB: Audited Financial Results of M/s. Tamilnadu Telecommunications Limited for the year ended on 31.03.2022

With reference to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting held on 20.05.2022 (Friday) at 11.30 a.m, the Board of Directors of M/s. Tamilnadu Telecommunications Limited has approved the Audited results of the Company for the year ended 31.03.2022. Please find enclosed herewith the following for your information and records:

- 1) Duly authenticated Statement of the the audited Fianancial results of the Company for the year ended on 31.03.2022 along with other relevant periods, as per the SEBI prescribed format.

Kindly take above information on record.

Thanking You,
Yours Faithfully,

J Ramesh Kannan
Managing Director
DIN 09292181

TAMILNADU TELECOMMUNICATIONS LIMITED

No.16,1st Floor, Aziz Mulk, 3rd Street, Thousand Lights, Chennai 600 006

CIN:L32201TN1988PLC015705, Tel: 044 28292653, Email:ttlocosec@gmail.com, Website: www.ttlofc.in

BALANCE SHEET

(Indian Rupees in Hundreds)

S.No	Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
	ASSETS			
(1)	Non-current assets			
	(a) Property, plant and Equipment	2	7,97,674	8,27,882
	(b) Other non-current assets	3	1,835	1,835
	Sub Total - A		7,99,509	8,29,717
(2)	Current assets			
	(a) Inventories	4	1,07,822	1,07,822
	(b) Financial Assets			
	(i) Trade receivables	5	7,06,655	7,13,621
	(ii) Cash and cash equivalents	6	42,870	41,125
	(iii) Short term Loans	7	207	207
	(c) Other current assets	8	2,20,458	1,74,410
	Sub Total - B		10,78,012	10,37,185
	Total assets (A+B)		18,77,521	18,66,902
	EQUITY AND LIABILITIES			
(1)	EQUITY			
	(a) Equity Share capital	9	45,67,620	45,67,620
	(b) Other Equity	10	(1,82,81,212)	(1,72,31,666)
	Sub Total - A		(1,37,13,592)	(1,26,64,046)
(1)	LIABILITIES			
	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Long term Borrowings	11	11,65,730	11,65,730
	(b) Long Term Provisions	12	5,35,513	4,71,824
	Sub Total - B		17,01,243	16,37,554
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Short term Borrowings	13	18,71,417	17,30,970
	(ii) Trade Payables	14	62,25,915	62,27,964
	(iii) Other Financial liabilities	15	48,70,210	40,47,286
	(b) Other current liabilities	16	2,95,128	2,74,229
	(c) Short Term Provisions	17	6,27,200	6,12,945
	Sub Total - C		1,38,89,870	1,28,93,394
	Total Equity and Liabilities - (A+B+C)		18,77,521	18,66,902
	Statement of Significant Accounting Policies	1		
	Notes on Financial Statement	2-28		

As per our report of even date attached
For R. Bupathy & Co.
Chartered Accountants
Firm Regn No. 0005255

For and on behalf of Board of Directors

CA V Thiagarajan
Partner
Membership No. 203328



J. Ramesh Kannan
Managing Director & CFO

D. Popathasekran
Chairman

Place : CHENNAI
Date : 20.05.2022

Swapnil Gupta
Company Secretary

TAMILNADU TELECOMMUNICATIONS LIMITED

No.16,1 st Floor, Aziz Mulk, 3rd Street, Thousand Lights, Chennai 600 006

CIN:L32201TN1988PLC015705, Tel: 044 28292653, Email:ttlcosec@gmail.com, Website: www.ttlco.in

STATEMENT OF PROFIT AND LOSS

S.no	Particulars	Note No.	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
I	Revenue from operations	18	-	-
II	Other income	19	2,152	6,539
III	Total Income (I+II)		2,152	6,539
IV	Expenses:			
	Cost of materials consumed	20	-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	-	-
	Excise Duty	18	-	-
	Employee benefits expense	22	1,57,279	1,10,630
	Finance Costs	23	8,22,051	8,08,873
	Depreciation and amortisation expense	24	28,190	34,815
	Other expenses	25	36,551	41,482
	Total expenses (IV)		10,44,071	9,95,800
V	Profit/(loss) before exceptional items and tax (III-IV)		(10,41,919)	(9,89,261)
VI	Exceptional items	26	(2,449)	-
VII	Profit/(loss) before tax (V-VI)		(10,44,368)	(9,89,261)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit/(Loss) for the period (VII-VIII)		(10,44,368)	(9,89,261)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss	27	(5,179)	8,974
XI	Total Comprehensive Income for the period (IX+X)		(10,49,547)	(9,80,287)
XII	Earnings per equity share			
	(1) Basic		(2.30)	(2.17)
	(2) Diluted		(2.30)	(2.17)

As per our report of even date attached

For R Bupathy & Co.

Chartered Accountants

Firm Regn No. 0005255

For and on behalf of Board of Directors

CA V Thiagarajan

Partner

Membership No. 20328



Ramesh Kannan

Managing Director & CFO

D. Popathasekran

Chairman

Place : CHENNAI

Date : 20.05.2022

Swapnil Gupta

Company Secretary

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

Description	Indian Rupees in Hundreds)	
	For the period ended 31st March 2022	For the period ended 31st March 2021
Cash Flow from Operating Activities:		
Net Profit / (Loss) before tax	(10,49,547)	(9,80,287)
Adjustments for:		
Add: - Depreciation	28,190	34,815
- Interest & Finance Charges	8,22,051	8,08,873
- Loss on sale of assets	-	-
- Exchange Rate Fluctuations - Loss / (Gain)	-	-
Less: - Interest/Dividend Received	2,034	2,393
Operating Profit before Working Capital changes	(2,01,340)	(1,38,992)
Changes in assets and liabilities:		
- Trade Receivables	6,966	482
- Other Current receivables	(46,048)	(25,370)
- Inventories	-	377
- Other Non-current assets	-	2,905
- Trade Payables	(2,049)	(898)
- Other financial liabilities, other liabilities, borrowings and provisions	9,98,525	9,29,806
Cash generated from Operations	7,56,054	7,68,310
Income Tax	-	-
Cash flow after tax before exceptional items	7,56,054	7,68,310
Exceptional items	-	-
Exchange Rate Fluctuations - (Loss) / Gain	-	-
Net Cash generated by Operating Activities - A	7,56,054	7,68,310
Cash Flow from Investing Activities:		
Purchase of Non-current Assets	(430)	-
Sale of Fixed assets	2,449	-
Interest/Dividend Received	2,034	2,393
Net Cash from / (used) in Investment Activities - B	4,053	2,393
Cash Flow from Financing Activities:		
Increase / (Repayment) of Non-current Liabilities	63,689	39,306
Interest charges	(8,22,051)	(8,08,873)
Dividends Paid	-	-
Dividend Tax	-	-
Net Cash used in Financing Activities - C	(7,58,362)	(7,69,567)
Net (decrease)/Increase in Cash Equivalents (A+B+C)	1,745	1,136
Cash & Cash Equivalents at the beginning of the Period	41,125	39,989
Cash & Cash Equivalents at the end of the year	42,870	41,125

Notes:

- Cash and cash equivalents represents cash in hand and cash with scheduled
- 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. 0005255

For and on behalf of Board of Directors

CA V Thiagarajan
 Partner
 Membership No. 203528



D. Popathasekran
 Chairman

Place: CHENNAI
 Date: 20.05.2022

Swarnil Gupta
 Company Secretary

STATEMENT OF CHANGES IN EQUITY

(Indian Rupees in Hundreds)

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
45,67,620	-	45,67,620	-	45,67,620

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
45,67,620	-	45,67,620	-	45,67,620

(Indian Rupees in Hundreds)

B. Other Equity

(1) Current Reporting period

Particulars	Reserves and surplus			OCI	Total
	Securities Premium Reserve	Capital Restructuring Reserve	Statement of Profit & Loss and Other Comprehensive Income	Other Comprehensive Income (Gratuity)	
Financial Year - 2021-22					
Balance as at April 1, 2021 (A)	98,400	9,79,711	(1,83,18,751)	8,974	(1,72,31,666)
Profit/(Loss) for the year	-	-	(10,44,368)	-	(10,44,368)
Add: Other Comprehensive Income	-	-	-	(5,179)	(5,179)
Balance as at Mar 31, 2022 (A)+(B)	98,400	9,79,711	(1,93,63,119)	3,795	(1,82,81,212)

(2) Previous Reporting period

Particulars	Reserves and surplus			OCI	Total
	Securities Premium Reserve	Capital Restructuring Reserve	Statement of Profit & Loss and Other	Other Comprehensive Income	
Financial Year - 2020-21					
Balance as at April 1, 2020 (A)	98,400	9,79,711	(1,73,29,490)	-	(1,62,51,379)
Profit/(Loss) for the year	-	-	(9,89,261)	-	(9,89,261)
Add: Other Comprehensive Income	-	-	-	8,974	8,974
Balance as at Mar 31, 2021 (A)+(B)	98,400	9,79,711	(1,83,18,751)	8,974	(1,72,31,666)

As per our report of even date attached
 For R Bupathy & Co.
 Chartered Accountants
 Firm Regn No. 0005235

For and on behalf of Board of Directors

CA V Thiagarajan
 Partner
 Membership No. 203528



Ramesh Kannan
 Managing Director & CFD

D Pogothaseliran
 Chairman

Place : Chennai
 Date 20-05-2022

Swarnil Gupta
 Company Secretary

1 Financial Instruments: (Indian Rupees in Hundreds)

i Financial Risk Management:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Financial Risks in a Business Entity can be classified as Market Risk, Credit Risk and Liquidity Risk. The status of these Risks at the Company is as brought out hereunder:

a) Market Risk :

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

b) Credit Risk :

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables. The Company's policy is to place cash and cash equivalents and short term deposits with

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date 31.03.2022.*

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Borrowings	30,37,147	30,37,147		-	30,37,147
Trade Payables	62,25,915	62,25,915		-	62,25,915
Other Financial Liabilities	48,70,210	48,70,210		-	48,70,210
Total	1,41,33,273	1,41,33,273	-	-	1,41,33,273

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date 31.03.2021.*

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Borrowings	28,96,700	28,96,700			28,96,700
Trade Payables	62,27,964	62,27,964			62,27,964
Other Financial Liabilities	40,47,286	40,47,286		-	40,47,286
Total	1,31,71,949	1,31,71,949	-	-	1,31,71,949

* The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The table includes both interest and principal cash flows.

ii Fair Values Hierarchy

Financial assets and Financial liabilities measured at fair value in the statement of financial position are categorized into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as

Level 1 - Quoted Prices (unadjusted) in active markets for financial instruments

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation Techniques:

The Carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during

iii. The carrying value and fair value of Financial instruments by each category as at 31st March, 2022 were as follows.

Sl. No	Particulars	Financial assets/liabilities at amortised	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Total Carrying Value	Total Fair Value
A.	Financial assets					
	(i) Trade receivables	7,06,655			7,06,655	7,06,655
	(ii) Cash and cash equivalents	42,870			42,870	42,870
	(iii) Short term Loans	207			207	207
	Total financial assets	7,49,732	-	-	7,49,732	7,49,732
B	Financial Liabilities					
	(i) Borrowings	30,37,147	30,37,147		-	30,37,147
	(ii) Trade Payables	62,25,915	62,25,915		-	62,25,915
	(iii) Other Financial Liabilities	48,70,210	48,70,210		-	48,70,210
	Total financial assets	1,41,33,273	1,41,33,273	-	-	1,41,33,273

The carrying value and fair value of Financial instruments by each category as at 31st March, 2021 were as follows.

Sl. No	Particulars	Financial assets/liabilities at amortised costs	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Total Carrying Value	Total Fair Value
A.	Financial assets					
	(i) Trade receivables	7,13,621			7,13,621	7,13,621
	(ii) Cash and cash equivalents	41,125			41,125	41,125
	(iii) Short term Loans	207			207	207
	Total financial assets	7,54,953	-	-	7,54,954	7,54,954
B	Financial Liabilities					
	(i) Borrowings	28,96,700			28,96,700	28,96,700
	(ii) Trade Payables	62,27,964			62,27,964	62,27,964
	(iii) Other Financial Liabilities	40,47,286			40,47,286	40,47,286
	Total financial assets	1,31,71,949	-	-	1,31,71,949	1,31,71,949

iv. Capital Management:

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face

Management assesses the Company's capital management in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Dividends

Particulars	31.03.2022	31.03.2021
(a) The amount of dividend proposed and not recognized at the end of the reporting period to be distributed to Equity share holders	-	-
(b) The corresponding amount of dividend distribution tax for the amount of proposed dividend	-	-

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 arbitration case was appealed against award in Delhi High Court which was disposed by Delhi High court.

(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 2016-17 and 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 as there is huge requirement of OF cable in the near future due to the impact of 5G. The company and the promoters of the company are taking various efforts for revival of the company as detailed below:

- i. 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.
- ii. The proposal of taking over the company/utilizing capacity by BSNL is being discussed with BSNL & TCIL both under Department of Telecommunication. 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. Follow up action is being taken up by the company and TCIL.
- iii. Diversion of existing skilled employees to Fiber Optic Splicing, Survey, Optical Laying Supervision and other telecom related service contracts to maximize the utilization of existing skilled manpower has been taken care. Orders for deputation to TCIL were issued to all the employees of TTL and 60 employees joined in TCIL on deputation basis till Last Financial Year. Few employees have been posted at TCIL Chennai to attend of minimum requirement of TTL factory and TTL office work.
- iv. To obtain preferential orders from Tamilnadu State PSU, for supplying Optical Fiber Cable in Tamilnadu. Management is continuously pursuing and approaching the concerned secretaries and ministers of Government of Tamilnadu..
- v. 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.
- vi. Efforts are being taken to restore the electricity connection in the factory for initiating the revival plan of TTL factory.
- vii. TCIL management is taking efforts to revive TTL through various correspondence and meeting with Ministers of Government of Tamilnadu and TIDCO CMD.
- viii. Department of Telecom is also pursuing the matter and required data has been shared. Consultant is being appointed for factory and (vacant) land monetization of TTL.
- 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.

Impact of Covid-19 pandemic

Tamilnadu is the one of most Covid-19 affected state and had major impact on economic and business activities during the year 2020, 2021 and 2022. The major expected cable orders could not be obtained from Tamilnadu government due to Covid-19 as the implementation of Bharat net project could not take-up till date. The various efforts of the revival of the company could not materialize and have slowed down due to Covid-19 pandemic. During the pandemic situation, further efforts are taken to revive the company as given below:

- a) The present CMD of TCIL (promoter Company) visited TTL premises on 02-04-2021 and also interacted with officials of TIDCO & Govt. of Tamilnadu and is keen on the revival of TTL.
- b) As the first step, electricity connection restoration has been processed and funds of Rs.4.83 lakh has been received from TCIL for payment of pending dues and restoration of HT connection.
- c) As TCIL management is keen on the revival of TTL and EoI was floated in the year 2021 for engaging Consultant to explore various revenue generation options. Consultant has been appointed for monetization of factory and factory premises. Based on the consultant report RFP no. TTL/RFP/21-22/CHENNAI/03 dated 29/12/2021 was floated through company website and newspaper advertisement for "Grant of Lease of the Manufacturing Facilities and Premises of TTL". The

proposal is being taken to the approval of Board in their 176 Board meeting dt.20th May 2022.

- d) CGM (IT&OFC)/TCIL/HQ &CGM/Civil & BD/TCIL have been assigned a task of perusing business development opportunities for TTL in close co-ordination with TIDCO.
- e) As new Government has taken over in Tamilnadu, preferential order being pursued through TIDCO with new Government for Telecom infra Projects in Tamilnadu.

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.

- 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 31.03.2022 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 2021-22.

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 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, 2011 and 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. 47,766 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. 38,373 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, 2022 is Rs. 5,12,047/- including expired Bank Guarantees to the extent of Rs. 1,02,169. (previous year Rs. 5,12,047 including expired Bank Guarantees to the extent of Rs. 1,02,169)

(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 was disposed off by Madras High Court.

17. Earnings per share

Particulars	2021-22	2020-21
Net Profit / (Loss) after tax as per the Statement of Profit & Loss (Rs.)	(10,49,54,786)	(9,89,26,117)
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.)	-2.30	-2.17
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 The next hearing date is not fixed.

(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. J. Ramesh Kannan, Managing Director & C.F.O (from 25.08.2021)
2. 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)			
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
01. Purchase of Raw Material / Capital Goods	-	-	-	-	-	-
02. Managerial Remuneration	-	-	-	-	98,513	76,469
03. Gratuity receivable for deputed TTL employees	-	-	51,303	29,193	-	-
04. Trade Receivable (Net off Provision for Doubtful Debts)	-	-	1,98,646*	1,98,646*	-	-
05. Outstanding Balances including supply credits As on 31st March	2,00,306*	1,98,071*	115,21,608	1,06,75,548	-	-
06. Secured Loans as on 31st March	-	-	20,59,683	19,43,324	--	--

* 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 (the holding company) on demand basis, the company has taken a conservative approach to

reflect the amount due of Rs.135,81,291 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.

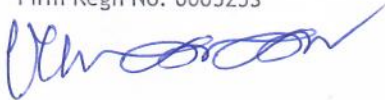
23. On 16.08.2021, theft took place in the Electrical Substation of the company's factory located at Maraimalainagar, Chengalpattu District. Bus bars and accessories were stolen from two transformers, HT & LT panels and the electrical substation unit is in a damaged condition. A complaint has been filed in the local police station against which an FIR copy is also received. The company has also submitted for insurance claim with the Insurance company and it is in process. The valuation for the insurance claim was done by a professional Valuer, who has given an estimated valuation of Rs.48,97,028/- for the assets that were stolen. The same has been claimed for insurance, however there is no confirmation in this regard from the New India Assurance Company till date.
24. Figures are rounded off to nearest rupee.
25. Figures of previous year have been regrouped/rearranged, wherever necessary, to conform to the current year's classification.
26. 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 realization 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:

(Rupees in Hundreds)

Particulars	2021-22		2020-21	
	Foreign Currency	Amount	Foreign Currency	Amount
Import creditors / Technology transfer fee	USD 191,690.00	1,45,148	USD 191,690.00	1,40,863
Export Debtors	USD 24,522.29	18,568	USD 24,522.29	18,020

As per our report of even date attached
For R Bupathy & Co.
Chartered Accountants
Firm Regn No. 0005255

For and on behalf of Board of Directors



CA V Thiagarajan
Partner
Membership no.203328



Place : Chennai
Date : 26.05.2022



J. Ramesh Kannan
Managing Director & CFO

D.Porpathasekaran
Chairman

Swapnil Gupta
CS

Partners :



CA. R. BUPATHY, B.Com., FCA
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NUNGAMBAKKAM, CHENNAI - 600 034.

☎ : 91-44-28278300 / 28277590

91-44-28242302

E-mail : clientsupport@rbco1976.com
partners@rbco1976.com

Registered Network, Dubai - SPA Auditing & Affiliates - (ICAI Ref : NRN/S/15)

☎ : 00971 (0) 42349617 E-mail : sg@spaauditing.com

INDEPENDENT AUDITOR'S REPORT

To

The Members of Tamilnadu Telecommunications Limited

Report on the Audit of the Standalone Financial Statements

Adverse Opinion

We have audited the standalone financial statements of Tamilnadu Telecommunications Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and 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.

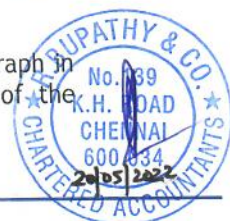
In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of our report, the aforesaid financial statements do not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Adverse Opinion

1. The Company's financial statements have been prepared using the going concern assumption of accounting. However, the Company's accumulated losses of Rs. 1,82,81,21,320 /- (including a loss of Rs.10,49,54,686/- incurred during the FY 2021-22) has eroded the Net Worth of the Company, indicating the existence of material uncertainty that may cast a doubt about the Company's ability to continue as a Going Concern. The Company has not operated its factory since 2017 and **NO** sales effected for more than three years. It is also pertinent to note that power connections in the factory are disabled. Further, as represented by the company, the machineries would involve major overhauling cost to resume operations and the company is also unable to obtain support for supply of major raw material required for manufacture from its supplier. Also, the company has not bagged any new orders to substantiate the going concern assumption.

As per Standard on Auditing (SA) 570, "If the financial statements have been prepared using the going concern basis of accounting but, in the auditor's judgment, management's use of the going concern basis of accounting in the financial statements is inappropriate, the requirement in paragraph 21 for the auditor to express an adverse opinion applies regardless of whether or not the financial statements include disclosure of the inappropriateness of management's use of the going concern basis of accounting."

Hence, considering the cumulative effect of the factors detailed in the above paragraph in the revival of the company, we conclude that the Going Concern assumption of the management in preparation of financial statements is inappropriate.



2. 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 2021) and impact of the same on the financial Statements is not ascertainable.
- i) Amounts due to M/s Fujikura Limited amounting to Rs. 2,00,30,600/- (Previous Year- Rs. 1,98,07,090/-)
 - ii) Trade Receivables (considered good) amounting to Rs. 7,06,65,510/- (Previous Year- Rs. 7,13,62,110/-)
 - iii) Unsecured Trade Payables amounting to Rs. 3,37,04,875/- (Previous Year - Rs. 3,41,14,712/-).

Emphasis of Matter

- 1) We draw attention to Note No.28(Sl. No. 22) of the explanatory notes to the financial statements which states the reason for non-recognition of amounts due to the holding Company viz., Telecommunications Consultants India Limited amounting to Rs. 1,35,81,29,112/- (Previous Year - Rs. 1,26,18,87,189/-) at Fair Value in accordance with IndAS 109 and impact of the same on the financial statements is not ascertainable and Our opinion is not modified in respect of this matter.
- 2) Attention is invited to Note Nos. 3,5,8,14,15 of the notes to financial statements, where the balances carried in the debtors, creditors, advances & deposits payable / recoverable are subject to confirmation from all parties (other than Telecommunications Consultants India Limited) as stated in Note No.28(Sl. No. 2). The impact if any, on financial statements is not ascertainable and Our opinion is not modified in this respect.
- 3) Attention is invited to Note No. 28(Sl. No. 19) of the explanatory notes to the financial statements which states that the Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence the disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act could not be ascertained. Our opinion is not modified in this respect.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the *Basis for Adverse Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

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 with the 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 or error.

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 do so.

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) 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 books of account.
 - d) In our opinion, 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) Our observations in "The Basis for Adverse" Paragraph here-in-above regarding the assumption of Going Concern, 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 31stMarch, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) 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 Unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28(Sl. Nos. 3, 11, 15, 16) to the financial statements;
 - II. 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.
 - III. According to the information and explanations given to us and based on our examination of the records, there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.



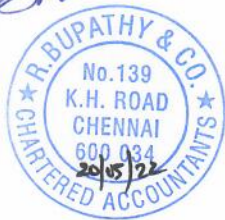
3. Report on the Directions issued by the Comptroller and Auditor General of India, under Section 143(5) of the Companies Act, 2013 for conducting audit of accounts for the year 2021-22 is given below: -

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 2021-22), 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 2021-22.

For R. Bupathy & Co
Chartered Accountants
Firm Registration No. 0005255



CA V. Thiagarajan
Partner
ICAI M. No. 203328



Place: Chennai

Date: 20.05.2022

UDIN: 22203328AJTZNI8697

Partners :



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'VIBGYOR', FIRST FLOOR,
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NUNGAMBAKKAM, CHENNAI - 600 034.

☎ : 91-44-28278300 / 28277590
91-44-28242302

E-mail : clientsupport@rbco1976.com
partners@rbco1976.com

Registered Network, Dubai - SPA Auditing & Affiliates - (ICAI Ref : NRN/S/15)
☎ : 00971 (0) 42349617 E-mail : sg@spauditing.com

Compliance Certificate

We have conducted the audit of accounts of Tamilnadu Telecommunications Limited for the year ended 31st March 2022 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. 0005255

CA V. Thiagarajan
Partner
ICAI M. No. 203328



Place: Chennai

Date: 20.05.2022

UDIN: 22203328AJT2N18697

Partners :



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☎ : 00971 (0) 42349617 E-mail : sg@spauditing.com

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) (a) In respect to Fixed Asset,

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company does not own Intangible assets and the maintenance of records of the same is not required.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in an annual manner. In accordance with this programme, all the Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



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ii)

(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.

iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, clause (iii)(a), clause (iii)(b), clause (iii)(c), clause (iii)(d), clause (iii)(e) & clause (iii)(f) of the Order is not applicable.

iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) 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 Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

vii) (A) The Company have liability in respect of Provident Fund, Employees' State Insurance, TDS and Property Tax over the years and there have been serious delays in a large number of cases due to insufficiency of funds with the Company.

a) According to the information and explanations given to us, undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Provident Fund, Employees' State Insurance, TDS and Property Tax were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

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	77,16,852	July'18 to Sep' 2021



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	98,90,880	Apr'18 to Sep' 2021
Municipal Tax	Property Tax	65,43,700	Since 2009-10 to 2019-20(Apr'19 to Sep'21)
Total		2,50,04,749	

b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company have loans or borrowings from TCIL during the year. Due to severe cash crunch and non-operation of business during the past years, the company is being supported by its holding company, Telecommunication India Limited. Following is the disclosure of amount outstanding and the break-up of same:

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Material Loan, Bridge Loan & Working Capital	Telecommunication India Private Limited	1,26,18,87,190	Principal & Interest	>365 Days	
		9,62,41,922		<365 days	

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us by the management, no funds raised have been raised on short term basis. Accordingly, clause (ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause (ix)(e) of the Order is not applicable.

x) (a) Based on the information and explanation given to us, the company have not raised money by way of initial public offer or further public offer (including debt instruments) during the year. So, Accordingly, clause 3(xi)(a) of the Order is not applicable.

(b) Based on the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. So, Accordingly, clause 3(xi)(b) of the Order is not applicable.

xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs.10,09,993/- in the current year and Rs.9,57,701/- in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



(xx) In our opinion and according to the information and explanations given to us, the company is not covered under the sub-section (1) of Companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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



CA V. Thiagarajan
Partner

ICAI M. No. 203328

Place: Chennai

Date: 20.05.2022

UDIN: 22203328AJTZNI8697



Partners :

CA. R. BUPATHY, B.Com., FCA
CA. V. THIAGARAJAN, B.Com., FCA
CA. D. PURUSHOTHAMAN, B.Com., FCA., DISA (ICAI)
CA. T. THULASIMALA, B.Com., FCA
CA. T. SANGEETH, B.Com., FCA
CA. K. MARTIN SIMON, B.Com., MBA., FCA
CA. N. MOHAMMED SHAREEF, B.COM., FCA



R. BUPATHY & CO.,

CHARTERED ACCOUNTANTS

'VIBGYOR', FIRST FLOOR,
139, KODAMBAKKAM HIGH ROAD,
NUNGAMBAKKAM, CHENNAI - 600 034.

☎ : 91-44-28278300 / 28277590
91-44-28242302

E-mail : clientsupport@rbco1976.com
partners@rbco1976.com

Registered Network, Dubai - SPA Auditing & Affiliates - (ICAI Ref : NRN/S/15)
☎ : 00971 (0) 42349617 E-mail : sg@spaauditing.com

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 audited the internal financial controls over financial reporting of Tamilnadu Telecommunications Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for 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 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.

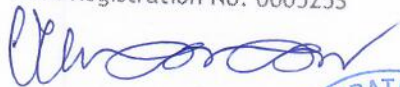
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. Bupathy & Co
Chartered Accountants
Firm Registration No. 0005255



CA V. Thiagarajan
Partner
ICAI M. No. 203328



Place: Chennai

Date: 20.05.2022

UDIN: 22203328AJTZN18677