

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

Unaudited Financial Results for the Quarter ended 30th September 2012

(Amounts in Lakhs of Rupees)

Sl.No	Particulars	Three Months ended			Six months ended		Year ended
		30th Sep 2012 (Unaudited)	30th June 2012 (Unaudited)	30th Sep 2011 (Unaudited)	30th Sep 2012 (Unaudited)	30th Sep 2011 (Unaudited)	31st March 2012 (Audited)
1	Income from Operations						
	(a) Net Sales / Income from Operations (Net of Excise Duty)	757.28	173.61	335.53	930.89	646.74	1,096.01
	(b) Other Operating income	1.64	4.76	0.81	6.40	1.41	2.71
	Total Income from Operations (Net)	758.92	178.37	336.34	937.29	648.15	1,098.72
2	Expenses						
	(a) Cost of materials consumed	484.94	221.35	361.26	706.29	881.98	1,087.46
	(b) Purchase of stock-in-trade						
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	15.57	(94.17)	(38.67)	(78.60)	(241.55)	(12.86)
	(d) Employee benefits expense	89.64	80.70	73.28	170.34	146.41	297.56
	(e) Depreciation and amortisation expense	49.69	58.72	58.38	108.41	117.98	237.81
	(f) Other expenses	77.88	34.25	54.73	111.65	109.96	390.26
	Total expenses	717.72	300.85	508.97	1,018.09	1,014.79	2,000.23
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	41.20	(122.48)	(172.63)	(80.80)	(366.65)	(901.51)
4	Other income		0.55	2.83	0.07	2.87	16.27
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	41.20	(121.93)	(169.80)	(80.73)	(363.77)	(885.24)
6	Finance costs	168.09	164.25	121.23	332.34	218.30	586.17
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(126.89)	(286.18)	(291.03)	(413.07)	(582.07)	(1,471.41)
8	Exceptional items	1.12	1.23	(2.70)	2.35	(1.15)	(138.59)
9	Profit/(Loss) from ordinary activities before tax (7-8)	(128.01)	(287.41)	(288.33)	(415.42)	(580.92)	(1,332.82)
10	Tax expense						
11	Net profit / (Loss) from ordinary activities after tax (9-10)	(128.01)	(287.41)	(288.33)	(415.42)	(580.92)	(1,332.82)
12	Extraordinary items (net of tax expense Rs. Nil)						
13	Net Profit / (Loss) for the period (11+/-12)	(128.01)	(287.41)	(288.33)	(415.42)	(580.92)	(1,332.82)
14	Paid-up equity share capital (Face Value Rs.10 each)	4,567.62	4,567.62	4,567.62	4,567.62	4,567.62	4,567.62
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	(5,996.55)	(5,868.54)	(4,829.24)	(5,996.55)	(4,829.24)	(5,581.13)
16	Earnings per share (before extraordinary items) (in Rupees)	(0.28)	(0.63)	(0.63)	(0.91)	(1.27)	(2.92)
17	Public shareholding						
	- Number of shares	16613300	16613300	16613300	16613300	16613300	16613300
	- Percentage of shareholding	36.37%	36.37%	36.37%	36.37%	36.37%	36.37%
18	Promoters and Promoter group shareholding						
	(a) Pledged / Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Non Encumbered						
	- Number of shares	29067700	29067700	29067700	29067700	29067700	29067700
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total sharecapital of the company)	63.63%	63.63%	63.63%	63.63%	63.63%	63.63%
19	Investor complaints pending at the beginning of the quarter	NIL					
	Received during the quarter	1					
	Disposed off during the quarter	1					
	Remaining unsolved at the end of the quarter	NIL					

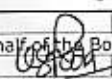
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Notes:	
1	The above results have been reviewed and approved by the Committee of the Board of Directors at its meeting held on 12.11.2012
2	The Accumulated losses of the company had exceeded its net worth. BIFR has already approved a Sanctioned Scheme for the Company and the Company is under re-habilitation period and is being monitored by BIFR through the Monitoring Agency. The company has already received order from BSNL for supply of 3206 kms of OFC valuing Rs.15.97 crores which is under execution and is expected to be completed by Nov,2012. Subsequently the company is confident of getting orders of good volume from Reliance Infoltech and from the Government's National Optic Fiber Network(NOFN) Project. The total OFC requirement for NOFN Project is around 500000 kms and the processing by the Government is in the advanced stage. Company is exploring the possibility of diversification also. Considering the scope during the immediate future, the accounts have been prepared on going concern basis.
3	No provision is made for certain long pending debtors in view of the arbitration proceeding completed against the Purchaser for which Award is received in favour of the Company but has since been challenged by the Purchaser in the Court. In one case Court remitted back to the Arbitrator and the proceedings are in progress.
4	Provision for employee benefits has been made on estimated basis
5	Deferred tax: During the period 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 profits 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 profits in the future in terms of para 26 of AS-22. The treatment noted above is in accordance with the Accounting Standard 22 "Taxes on Income" notified under sub-section 3(C) of Section 211 of the Companies Act,1956
6	Previous period's amounts are regrouped and rearranged to conform to the current year's classification as per the revised schedule VI format.
7	Segment Reporting: As the Company's business activity falls within a single primary business segment during the period viz., telephone cables, the disclosure requirement of Accounting Standard 17 issued by the ICAI is not applicable. During the quarter, geographical segment reporting also is not applicable.
8	Same Accounting Policies that of corresponding period of last year has been followed and as such, there is no change in accounting policies. During the year ended 31.03.2012, few accounting policies on provision for warranty period expenses, current and deferred tax charge/credit, contingent liabilities, borrowing costs and accounting for leases added.

Statement of Assets and Liabilities

BALANCE SHEET	As at	
	30.09.2012 (Unaudited)	31.03.2012 (Audited)
EQUITY AND LIABILITIES		
Shareholders' Funds		
(a) Share Capital	4567.62	4567.62
(b) Reserves & Surplus	(5996.55)	(5581.13)
Non -Current Liabilities	128.35	113.55
Current Liabilities	6087.21	5517.81
TOTAL	4786.63	4617.85
ASSETS		
Non -Current Assets		
Fixed assets - Tangible	1103.35	1207.92
Long term loans and advances	28.66	18.62
Current Assets		
(a) Inventories	1380.60	1525.30
(b) Trade Receivables	1911.93	1457.97
(c) Cash and cash equivalents	37.68	12.71
(d) Other Current assets	87.01	96.15
(e) Short term loans and advances	237.40	299.18
TOTAL	4786.63	4617.85

for and on behalf of the Board of Directors


V.S.PARAMESWARAN
Managing Director

Place: Chennai
Date : 12.11.2012

Limited Review Report of Tamil Nadu Telecommunications Limited
Review Report to The Board of Directors

1. We have reviewed the accompanying statement of unaudited financial results of TAMIL NADU TELECOMMUNICATION LIMITED for the period ended 30th September 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Company has not provided for Deferred tax Liability in respect of the timing difference on the depreciation of the fixed assets. The deferred tax liability as of September 30, 2012 works out to ₹1,12,18,426 /-. This information indicates that if the deferred tax liability was provided on September 30, 2012, deferred tax liability would increase by ₹1,12,18,426/- and the net loss would increase by ₹1,12,18,426/- . Consequently the Earnings per share would increase to(0.52).
4. Without qualifying our conclusion, we draw attention to Note No. 2 in the Notes to Accounts as at September 30,2012. The company has accumulated losses of ₹ 70,74,66,741 has eroded the net worth of the company, indicating the existence of material uncertainty that may cast a doubt about the company's ability to continue as a going concern. The company has incurred a loss of ₹ 1,28,01,385 for the period under Review. Based on the mitigating factors discussed in the said note, the Management believes that the Going Concern assumption is appropriate.
5. Based on our review conducted as above, **except for the matter stated in Paragraph 3 above** , nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material

Place: Chennai
Date: 12.11.2012

For Ramesh and Ramachandran
Chartered Accountants
Firm No : 002981S




Y. Sridhar
Partner

M No: 28149