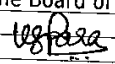


<b>TAMILNADU TELECOMMUNICATIONS LIMITED</b>					
(A Joint Venture of TCIL, Govt. of India Enterprise & TIDCO, Govt. of Tamilnadu Enterprise)					
Regd. Office: No.16, 1st Floor, Aziz Mulk 3rd Street, Thousand Lights, Chennai - 600 006					
Unaudited Financial Results for the Quarter ended 30th June 2012					
Sl.No	Particulars	(Amounts in Lakhs of Rupees)			
		Three Months ended			year ended
		30th June 2012	31st March, 2012	30th June 2011	31st March, 2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from Operations</b>				
	(a) Net Sales / Income from Operations (Net of Excise Duty)	173.61	201.00	311.20	1,096.01
	(b) Other Operating income	4.76	0.40	0.60	2.71
	<b>Total Income from Operations (Net)</b>	<b>178.37</b>	<b>201.40</b>	<b>311.80</b>	<b>1,098.72</b>
2	<b>Expenses</b>				
	(a) Cost of materials consumed	221.35	88.55	520.73	1,087.46
	(b) Purchase of stock-in-trade				
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	(94.17)	124.02	(202.87)	(12.86)
	(d) Employee benefits expense	80.70	71.21	73.14	297.56
	(e) Depreciation and amortisation expense	58.72	60.27	59.60	237.81
	(f) Other expenses	34.25	221.13	55.23	390.26
	<b>Total expenses</b>	<b>300.85</b>	<b>565.18</b>	<b>505.83</b>	<b>2,000.23</b>
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	(122.48)	(363.78)	(194.03)	(901.51)
4	Other income	0.55	13.35	0.04	16.27
5	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	(121.93)	(350.43)	(193.99)	(885.24)
6	Finance costs	164.25	196.99	97.06	586.17
7	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	(286.18)	(547.42)	(291.06)	(1,471.41)
8	Exceptional items	1.23	(138.27)	1.55	(138.59)
9	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	(287.41)	(409.15)	(292.60)	(1,332.82)
10	Tax expense				
11	<b>Net profit / (Loss) from ordinary activities after tax (9-10)</b>	(287.41)	(409.15)	(292.60)	(1,332.82)
12	Extraordinary items (net of tax expense Rs. Nil)				
13	<b>Net Profit / (Loss) for the period (11+/-12)</b>	(287.41)	(409.15)	(292.60)	(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
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	(5,868.54)	(5,581.13)	(4,540.91)	(5,581.13)
16	Earnings per share (before extraordinary items) ( in Rupees)	(0.63)	(0.90)	(0.64)	(2.92)
17	Public shareholding				
	- Number of shares	16613300	16613300	16613300	16613300
	- Percentage of shareholding	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	Nil	Nil
- Percentage of shares (b) Non Encumbered				
- Number of shares	29067700	29067700	29067700	29067700
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%
- Percentage of shares (as a % of the total sharecapital of the company)	63.63%	63.63%	63.63%	63.63%
19 Investor complaints pending at the beginning of the quarter	NIL			
Received during the quarter	NIL			
Disposed off during the quarter	NIL			
Remaining unsolved at the end of the quarter	NIL			
<b>Notes:</b>				
1	The above results have been reviewed and approved by the Committee of the Board of Directors at its meeting held on 13.08.2012			
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 Oct,2012. Subsequently the company is confident of getting orders of good volume from Reliance Infotech and from the Government's National Optic Fiber Network(NOFN) Project. The total OFC requirement for NOFN Project is around 600000 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 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.			
				for and on behalf of the Board of Directors
				
				<b>V.S.PARAMESWARAN</b>
				Managing Director
	Place: Chennai			
	Date : 13.08.2012			



**LIMITED REVIEW REPORT**

The Board of Directors  
TAMIL NADU TELECOMMUNICATIONS LTD.  
Chennai.

1. We have reviewed the accompanying Balance Sheet of M/s. Tamilnadu Telecommunications Ltd. as of June 30, 2012 and the related Statements of Profit & Loss and Cash Flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes. The disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" have been traced from disclosures made by the management and have not been reviewed by us. The Management is responsible for the preparation and fair presentation of this interim financial information in accordance with generally accepted accounting principles in India. Our responsibility is to express a conclusion on this interim financial information based on our review.
2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 fixed assets. The deferred tax liability as of June 30, 2012 works out to of Rs.1,25,67,706/-. This information indicates that if the deferred tax liability was provided on June 30, 2012, deferred tax liability would increase by Rs.1,25,67,706/- and the net loss for the three months ended June 30, 2012, would increase by Rs.1,25,67,706/-. Consequently the Earnings per Share would increase to Rs. (0.90). Our limited Review Reports for the quarters ended September 30, 2011, December 31, 2011 and Audit Report for the year ended March 31, 2012 were also qualified in respect of the above matter.*
4. Without qualifying our conclusion, we draw attention to Note No:2 in the Notes to accounts as at June 30, 2012. The Company's accumulated losses of Rs.69,46,65,359/- has eroded the net worth of the Company, indicating the existence of a material uncertainty that may cast a doubt about the Company's ability to continue as a Going Concern. The company has incurred a loss of Rs.2,87,41,110/- 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.



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5. Based on our review conducted as above, *except for the effect of the matter stated in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying interim financial information prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006,] and other recognized accounting practices and policies, does not give a true and fair view of the State of Affairs of the entity as at June 30, 2012 and of its Results of Operations and its cash flows for the three month period then ended.

For **M.KUPPUSWAMY PSG & CO**  
Chartered Accountants  
Firm Regn. No: 001616S

  
**M.K.KRISHNAN**  
Partner  
M.No: 020116

Place: Chennai  
Date: 13-08-2012

