



# TAMILNADU TELECOMMUNICATIONS LIMITED

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

## OPTICAL FIBRE CABLE DIVISION



Works : E18B-24, CMDA Industrial Complex, Maraimalai Nagar - 603 209. Phone : (044) 27451095, 27453881, 27452406, Telefax : +91- 44-27454768  
CIN : L32201TN1988PLC015705, TIN : 33931603184, CST : 801114 / 26-08-1988

TTL/CS/BM/BSE/2017-18

11.08.2017

To

The Manager,

M/s. Bombay Stock Exchange Limited,

Floor No. 25, PJ Towers,

Dalal Street,

Mumbai – 400 001

Dear Sir/Madam,

**SUB:** Unaudited Financial Results of Tamilnadu Telecommunications Limited for the Quarter ended 30.06.2017

**REF:** BSE Code : 523419

With reference to Regulation 33 of the SEBI( LODR) Regulations, 2015, the 155th Meeting of the Board of Directors of Tamilnadu Telecommunications Limited schedule on Friday, 11.08.2017 at 12.30 pm, in the Board room M/s.Tamilnadu Industrial Development Corporation (TIDCO), 19A, RukminiLakshmi pathi Road, Egmore, Chennai-600008 for the adoption of the unaudited accounts for the quarter ended 30.06.2017, accordingly, in the 155<sup>th</sup> Board meeting held on today on Friday, 11.08.2017 at 12.30 pm and concluded at 5.00 pm, in the Board room of M/s.Tamilnadu Industrial Development Corporation (TIDCO), 19A, RukminiLakshmi pathi Road, Egmore, Chennai-600008, the Board has approved the unaudited accounts of the company and normal business of the company for the quarter ended 30.06.2017.

Please find the enclosed herewith the following information and records:

1. Duly authenticated statement of the unaudited results for the quarter ended 30.06.2017, as per the prescribed format.
2. Limited Review Report issued by Independent Auditors of the Company on Unaudited Financial results for the quarter ended 30<sup>th</sup> June, 2017.

Kindly acknowledge receipts.

Thanking you,

Yours faithfully,

For Tamilnadu Telecommunications Limited,

Company Secretary.

Encl: as above.

Registered Office : No.16, 1<sup>st</sup> Floor, Aziz Mulk 3<sup>rd</sup> Street, Thousand Lights, Chennai - 600 006.  
Phone : (044) 28292653 Website : www.ttlcof.in

<b>TAMILNADU TELECOMMUNICATIONS LIMITED</b>					
(A Joint Venture of TCIIL, Govt. of India Enterprise & TIDCO, Govt. of Tamilnadu Enterprise)					
Regd. Office: No.16, 1st Floor, Aziz Mulk 3rd Street, Thousand Lights, Chennai - 600 006					
CIN : L32201TN1988PLC015705, TEL : 044 28292653, email : tlcosec@rediffmail.com, website : www.tlofc.in					
Statement of Unaudited Financial Results for the Quarter Ended June 30, 2017					
Sl.No	Particulars	Amount in Rupees in Hundreds			
		Three Months ended		Year ended	
		30th June, 2017 (Unaudited)	31st March, 2017 (Unaudited)	30th June, 2016 (Unaudited)	31st March, 2017 (Audited)
1	<b>Income from Operations</b>				
	(a) Net Sales / Income from Operations	6,989	250,615	71,163	264,479
	(b) Other Operating income	-	2,408	-	2,531
	<b>Total Income from Operations (Net)</b>	<b>6,989</b>	<b>253,023</b>	<b>71,163</b>	<b>267,010</b>
2	<b>Expenses</b>				
	(a) Cost of materials consumed	22,228	131,698	54,325	146,907
	(b) Purchase of stock-in-trade	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	(19,304)	57,172	(7,690)	38,162
	(d) Employee benefits expense	126,478	320,207	122,014	447,835
	(e) Depreciation and amortisation expense	7,877	23,516	7,827	31,406
	(f) Other expenses	27,816	323,247	98,105	358,747
	<b>Total expenses</b>	<b>165,095</b>	<b>855,841</b>	<b>274,581</b>	<b>1,023,057</b>
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items(1-2)</b>	<b>(158,106)</b>	<b>(602,819)</b>	<b>(203,418)</b>	<b>(756,047)</b>
4	Other income	941	(46,696)	279	(46,696)
5	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(157,165)</b>	<b>(649,515)</b>	<b>(203,139)</b>	<b>(802,743)</b>
6	Finance costs	201,178	564,894	205,465	776,724
7	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(358,343)</b>	<b>(1,214,409)</b>	<b>(408,604)</b>	<b>(1,579,467)</b>
8	Exceptional items	-	46,062	46,365	47,409
9	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>(358,343)</b>	<b>(1,260,470)</b>	<b>(454,969)</b>	<b>(1,626,876)</b>
10	Tax expense	-	-	-	-
11	<b>Net profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(358,343)</b>	<b>(1,260,470)</b>	<b>(454,969)</b>	<b>(1,626,876)</b>
12	Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11+/-12)</b>	<b>(358,343)</b>	<b>(1,260,470)</b>	<b>(454,969)</b>	<b>(1,626,876)</b>
14	Paid-up equity share capital (Face Value Rs.10 each)	4,567,620	4,567,620	4,567,620	4,567,620
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	(12,132,770)	(11,776,415)	(10,372,972)	(11,776,415)
16	<b>i. Earnings per share (before extraordinary items) (in Rupees)</b>				
	(a) Basic	(0.78)	(2.76)	(1.00)	(3.56)
	(b) Diluted	(0.78)	(2.76)	(1.00)	(3.56)
	<b>ii. Earnings per share (after extraordinary items) (in Rupees)</b>				
	(a) Basic	(0.78)	(2.76)	(1.00)	(3.56)
	(b) Diluted	(0.78)	(2.76)	(1.00)	(3.56)
	<b>Notes:</b>				
	1) The company adopted Indian Accounting Standards ("Ind AS") and accordingly the financial results for the year ended 31 <sup>st</sup> March, 2017 presented have been prepared in accordance with the recognition and measurement principles laid down as per IndAS guidelines as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there-under and the other accounting principles generally accepted in India. The company had previously issued its unaudited financial results for the quarter ended 30 <sup>th</sup> June 2016, based on its preliminary selection of exemptions and accounting policies. All such policies and exemptions were finalized as of March 31 <sup>st</sup> 2017. However, there is no material financial impact of the above on the financial results for the quarter ended June 30 <sup>th</sup> 2016.				
	2) The above results have been reviewed and approved by the Committee of the Board of Directors at its meeting held on 11-08-2017.				
	3) The accumulated losses of the company Rs.1,21,32,76,990 as of 30 <sup>th</sup> June 2017 had exceeded the net worth of the company. The net worth of the company as of 30 <sup>th</sup> June 2017 is negative at Rs. 75,65,14,990.				
	4) Lack of executable orders and dull phase of Optical Fiber Cable (OFC) market from 2010-11 onwards is the main reason for poor performance since then. The requirement of OFC in the country is huge; however, the delay is due to various procedural issues in execution of big projects by Govt. clients. As such the company is hopeful of improving its order book position. Considering this and anticipating financial support from its Holding Company Telecommunications Consultants India Limited, Govt of India's Department of Telecommunications etc, the accounts have been prepared on "Going Concern basis" for the present.				
	5) Same accounting policies as that of last financial year are followed in the current quarter.				
	6) Provision for Employee Benefits has been made on estimated basis.				
	7) During the year the Company has not accounted / taken the credit / charge for the deferred tax assets / liabilities. The excess of timing difference over the deferred tax liability has been ignored for want of reasonable certainty of the company making taxable income in the near future. Similarly, for the same reason, certain other provisions made in the earlier years have been ignored for creation of deferred tax asset. The accumulated losses and carried forward depreciation under the tax laws have been ignored for creating the deferred tax asset considering that there is no reasonable certainty of the company making taxable income in the future.				



INDEPENDENT AUDITOR'S REVIEW REPORT

To  
The Board of Directors,  
Tamilnadu Telecommunications Limited,  
Chennai.

1. We have reviewed the accompanying statement of the unaudited financial results of TAMILNADU TELECOMMUNICATIONS LIMITED, (the "Company") for the Quarter ended 30<sup>th</sup> June, 2017 (the "Statement") prepared by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereafter and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and



analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

3. Without qualifying our conclusion, we draw attention to S.No. - 4 to Notes to Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2017. The Company's accumulated losses of Rs.1,21,32,76,990 has eroded the Net Worth of the Company, indicating the existence of material uncertainty that may cast a doubt about the Company's ability to continue as a *Going Concern*. The Company has incurred a loss of Rs.3,58,34,289 for the Quarter under review. Based on the mitigating factors discussed in the said note, the Management believes that the *Going Concern* assumption is appropriate.
4. The Company has not recognised the following financial liability/asset at Fair Value in terms of IndAS 109:
  - i) Amounts due to: Fujikura Limited amounting to Rs. 1,89,45,590; and
  - ii) Trade Receivables (considered good) amounting to Rs.7,07,34,479.
5. Without qualifying our conclusion in respect of this matter, we draw attention to the following:
  - a) The Company has not restated the amounts due to its holding company viz.,Telecommunications Consultants India Limited amounting to Rs.87,44,49,340 at Fair value, but retained the same at its book value.
  - b) Considering the present inability of the Company to repay its debts, the Bridge Loan and the Working Capital Support received from its holding company viz.,Telecommunications Consultants India Limited amounting to Rs.11,65,73,000 and Rs.7,72,53,092 respectively, which are treated as Short term borrowings, should be treated as Long Term Financial Liability in the books of the Company.
6. Based on our review conducted as stated in paragraph 2 above , except for the effects of matter described in paragraphs 3 to 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results read with notes thereon , prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act , 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure



Requirements ) Regulations , 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. VENKATRAM & CO.,  
Chartered Accountants  
FRN: 004656S

Place: Chennai

Date : 11.08.2017

  
R.KANDAVELU

Partner  
M.No.12811

