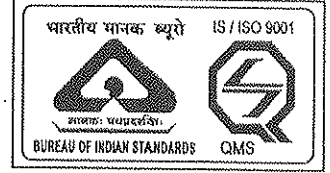




# TAMILNADU TELECOMMUNICATIONS LIMITED

(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, 27452406, Telefax : +91-44-27454768  
CIN : L32201TN1988PLC015705, GSTIN : 33AAACT9920B1ZP

TTL/CS/BM/157/2017-18

12.02.2018

To

The Manager,  
M/s. Bombay Stock Exchange Limited  
Floor No. 25, PJ Towers,  
Dalal Street,  
Mumbai – 400 001

To

The Manager,  
M/s. National Stock Exchange Limited,  
“Exchange Plaza”  
BandraKurla Complex,  
BandraEast, Mumbai – 400 051

**SUB:** Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 Unaudited Financial Results for the quarter ended December 31, 2017  
**REF: Scrip Code:**BSE ScripCode: 523419NSE Scrip Symbol: TNTELE

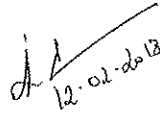
Dear Sir/Madam,

We are forwarding herewith a copy of Un-audited Financial Results for the quarter ended December 31, 2017 as approved by the Board at its meeting held today along with a copy of the Reports by the Auditors on the accounts (Standalone) for the quarter ended December 31, 2017.

This is for your kind information and records please.

Thanking you,

Yours faithfully,  
For Tamilnadu Telecommunications Limited,

  
(R.Devakumar)  
Managing Director



Note : The Board meeting ended at 18:30 PM

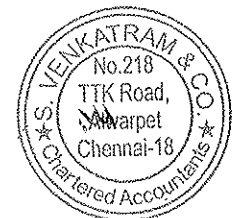
**TAMILNADU TELECOMMUNICATIONS LIMITED**  
(A Joint Venture of TCIL, Govt. of India Enterprise & TIDCO, Govt. of Tamil Nadu Enterprise)  
Regd. Office: No.16, 1st Floor, Aziz Molk 3rd Street, Thousand Lights, Chennai - 600 006  
CIN : L32201TN1988PLC015705, TEL : 044 28292653, email : tlcosec@gmail.com, website : www.tlcofc.in  
Statement of Unaudited Financial Results for the Three months and Nine months ended December 31, 2017

Amount in Rupees in Hundreds

Particulars	Note No.	For the quarter ended 31st Dec 2017	For the quarter ended 30th Sep 2017	For the quarter ended 31st Dec 2016	For the period ended 31st Dec 2017	For the period ended 31st Dec 2016	For the year ended 31st March 2017
I. Revenue from operations	17	-	1,53,700	15,736	1,60,689	1,63,995	2,67,010
II. Other income	18	665	40	-	1,646	279	786
III. Total Income (I+II)		665	1,53,740	15,736	1,62,335	1,64,274	2,67,796
IV. Expenses:							
Cost of materials consumed	19	(2,815)	84,970	15,209	1,04,383	86,707	1,46,907
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(0)	26,948	(19,010)	7,643	4,148	38,162
Excise Duty		-	-	1,748	777	18,222	29,668
Employee benefits expense	21	1,25,574	1,24,492	1,27,628	3,76,544	3,74,885	4,47,835
Finance Costs	22	2,13,623	2,11,438	2,11,830	6,26,240	6,26,378	7,76,724
Depreciation and amortisation expense	23	7,513	7,484	7,890	22,874	23,626	31,406
Other expenses	24	14,525	36,471	28,035	78,036	1,00,130	2,41,526
Provision for Doubtful Debts/Advances				7,464	-	1,43,625	87,553
Total expenses		3,58,421	4,91,803	3,80,794	12,16,496	13,77,721	17,99,781
V. Profit/(loss) before exceptional items and tax (III-IV)		(3,57,755)	(3,38,063)	(3,65,058)	(10,54,161)	(12,13,447)	(15,31,985)
VI. Exceptional items	25	0	2,155	-	2,155	45,669	47,409
VII. Profit/(loss) before tax (V-VI)		(3,57,756)	(3,40,218)	(3,65,058)	(10,56,316)	(12,59,116)	(15,79,394)
X. Tax expense:							
(1) Current tax							
(2) Deferred tax							
IX. Profit/(Loss) for the period (VII-VIII)		(3,57,756)	(3,40,218)	(3,65,058)	(10,56,316)	(12,59,116)	(15,79,394)
XII. Other Comprehensive Income							
Item that will not be reclassified to profit or loss	26						(47,482)
XIII. Profit/(Loss) for the period (XI + XII)		(3,57,756)	(3,40,218)	(3,65,058)	(10,56,316)	(12,59,116)	(16,26,876)
XIV. Earnings per equity share: (In Rupees)							
(1) Basic		(0.78)	(0.74)	(0.80)	(2.31)	(2.76)	(3.56)
(2) Diluted		(0.78)	(0.74)	(0.80)	(2.31)	(2.76)	(3.56)

Notes:

- The Ind AS compliant interim unaudited stand alone financial statements for the corresponding nine months ended 31/12/2016 have been prepared in accordance with the regulations and measurement principles laid down in Ind AS-34- "Interim Financials Reporting" prescribed as per section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. The Ind AS compliant interim unaudited stand alone financial statements for the corresponding quarter have been stated in terms of SEBI circular no. CIR/CFD/FAC/62/2016 dated 05/07/2016. The aforesaid financial statements relating to the nine months ended 31/12/2016 under Ind AS have not been subjected to limited review by the Statutory Auditors of the Company. The management have exercised necessary due diligence and ensured that the aforesaid statements provide a true and fair view of its affairs in accordance with the Companies (Indian Accounting Standards) Rules 2015.
- The above results have been reviewed and approved by the Committee of the Board of Directors at its meeting held on 12th February, 2018
- The accumulated losses of the Company, Rs.128,27,30,205 as of 31st December 2017 had exceeded the net worth of the Company. The net worth of the Company as of 31st December 2017 is negative at Rs.82,59,68,204.
- 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 TCIL, Govt of India's Department of Telecommunications etc. the accounts have been prepared on "Going Concern basis" for the present.
- Same accounting policies as that of last financial year are followed in the current quarter.
- Provision for Employee Benefits has been made on estimated basis.
- 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.
- No provision is made for one long pending debtor Rs. 3.40 crores, 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. The Court has remitted back to the Arbitrator for speaking orders which has also been awarded in favour of the Company. The Purchaser has again appealed in the Court.
- No provision is made for Rs.0.13 crores, due from RailTel which was under Arbitration. In the Arbitration award, six claims were in favour of the Company and one against the Company. Company has appealed against the award in Delhi High court and the proceedings are in progress.
- Depreciation has been provided as per the requirement of Part C of Schedule II to the Companies Act, 2013.



11) The amounts for three months ended 31st December, 2017 are derived by deducting amounts for six months ended 30th September, 2017 from the amounts for nine months ended 31st December, 2017.

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

13) The financial results have been reviewed by the Statutory Auditors as required under Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

15) Reconciliation between IndAS and previous Indian GAAP for the three months/six months ended 31st December, 2016

Particulars	Rs. (in hundreds)	
	Three Months ended 31st Dec, 2016	Nine Months ended 31st Dec, 2016
Net profit/(Loss) after tax published as per previous GAAP	(3,66,406)	(12,60,959)
IndAS: Adjustments increase/(decrease):		
Other Adjustments (prior period expenses)	1,348	1,843
<b>Total Comprehensive Income/(Loss) under IndAS</b>	<b>(3,65,058)</b>	<b>(12,59,116)</b>

Statement of Assets and Liabilities:

	Rs. (In hundreds)	
	As at 31st December, 2017	As at 31st March, 2017
<b>ASSETS</b>		
(1) Non-current assets		
(a) Property, plant and Equipment	9,28,880	9,47,457
(b) Other non-current assets	7,245	7,245
<b>Total Non-current Assets</b>	<b>9,36,125</b>	<b>9,54,702</b>
(2) Current assets		
(a) Inventories	2,81,272	3,17,907
(b) Financial Assets		
(i) Trade receivables	7,83,058	7,43,117
(ii) Cash and cash equivalents	85,805	69,020
(iii) Short term Loans	305	305
(c) Other current assets	1,25,364	1,30,791
<b>Total Current Assets</b>	<b>12,75,804</b>	<b>12,61,140</b>
<b>Total Assets</b>	<b>22,11,929</b>	<b>22,15,842</b>
<b>EQUITY</b>		
(1) EQUITY		
(a) Equity Share capital	45,67,620	45,67,620
(b) Other Equity	(1,28,27,302)	(1,17,76,415)
<b>Total Equity</b>	<b>(82,59,682)</b>	<b>(72,08,795)</b>
<b>LIABILITIES</b>		
(1) Non-current Liabilities		
(a) Long Term Provisions	2,89,698	2,54,448
<b>Total Non-current Liabilities</b>	<b>2,89,698</b>	<b>2,54,448</b>
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Short term Borrowings	22,57,833	17,85,233
(ii) Trade Payables	70,85,400	66,54,121
(iii) Other Financial liabilities	2,03,565	2,02,565
(b) Other current liabilities	4,32,044	3,35,667
(c) Short Term Provisions	2,03,070	1,92,603
<b>Total Current Liabilities</b>	<b>1,01,81,912</b>	<b>91,70,189</b>
<b>Total Equity and Liabilities</b>	<b>22,11,929</b>	<b>22,15,842</b>

For and on behalf of Board of Directors

*[Signature]*

Managing Director

Tamilnadu Telecommunications Limited

Place :Chennai  
Date : 12.02.2018



04



# **S. VENKATRAM & CO.,**

CHARTERED ACCOUNTANTS

Off : 2499 21 55 / 6 / 7  
Per : 2499 26 02  
☎ Res : 2498 62 92  
Fax : 2467 03 43  
E.mail : svco@vsnl.com  
No.218, T.T.K. Road,  
Alwarpet, Chennai - 600 018.

## INDEPENDENT AUDITOR'S REVIEW REPORT

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

1. We have reviewed the accompanying interim unaudited condensed standalone financial statements of TAMILNADU TELECOMMUNICATIONS LIMITED (the "Company"), which comprise the Condensed Balance Sheet as at December 31, 2017, Condensed Statement of Profit and Loss (including Other Comprehensive Income) for the three months and nine months period ended on that date, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the nine months period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim unaudited condensed standalone financial statements") being submitted by the Company pursuant to the requirement of the Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as modified by circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

### **Management's Responsibility for the Interim Condensed Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the preparation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the recognition and measurement principles laid down by the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued there-under and other accounting principles generally accepted in India.



3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
4. Our responsibility is to issue a report on the interim unaudited condensed standalone financial statements based on our review.

#### Scope of Review

5. 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". The standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim unaudited condensed standalone financial statements are free of material misstatement. 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.
6. As stated in Note 1 of the interim unaudited condensed standalone financial statement we have not performed a review or audit of the figures relating to the corresponding nine months period ending 31<sup>st</sup> December 2016 including reconciliation of the net loss for the nine months period ended 31<sup>st</sup> December 2016 between the previous GAAP and the Ind AS.



**Basis for Qualified opinion:**

7. a) The Company has provided for long term employee benefits (Gratuity and Leave Encashment) on an estimated basis which is in contravention of Ind AS 19 as per which provision for long term employee benefits will have to be provided based on actuarial valuation as of 31<sup>st</sup> December, 2017.
- b) The Company has not recognised the following financial liability/asset at its fair value in terms of IndAS 109:
  - (i) Amount due to Fujikura Ltd amounting to Rs.1,89,45,590 and
  - (ii) Trade Receivables (considered good) amounting to Rs. 7,83,05,816.

**Qualified Conclusion**

8. Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed standalone financial information as at 31<sup>st</sup> December 2017 is not prepared in accordance with Ind AS 34 and other accounting principles generally accepted in India, in material respects and has not disclosed the information that is 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.

**Emphasis of Matter**

9. Without qualifying our conclusion, we draw attention to:
  - a. S.No. - 3 to Notes to Unaudited Financial Results for the three months/nine months ended 31<sup>st</sup> December, 2017. The Company's accumulated losses of Rs Rs.128,27,30,205 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.10,56,31,643 for the nine months under review. Based on the mitigating factors discussed in the said note, the Management believes that the *Going Concern* assumption is appropriate.



- b. The Company has not restated the amounts due to its Holding Company viz., Telecommunications Consultants India Limited amounting to Rs. 94,01,35,216 at Fair value, but retained the same at its book value .

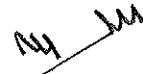
Considering the present inability of the Company to repay its debts, the Bridge Loan and the Working Capital Support received from its Holding Company viz., Telecommunications Consultants India Limited amounting to Rs.11,65,73,000 and Rs.10,92,10,324 respectively, should be treated as a Long Term Financial Liability in the books of the Company instead of as Short term Borrowings.



Place: Chennai

Date : 12<sup>th</sup> February, 2018

For S.Venkatram & Co.,  
Chartered Accountants  
FRN: 004656S

  
R.KANDAVELU  
Partner  
M.No: 12811