



TAMILNADU TELECOMMUNICATIONS LIMITED

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

OPTICAL FIBRE CABLE DIVISION



W-15, E-18B-24, CRDA Industrial Complex, Mammalajogger - 503 207, Phone: (044) 27452681, 27452400, 27451054, Telex: +91-44-274547/AR

TTL/CS/2018-19

14.08.2018

To The Manager, M/s. National Stock Exchange of India Limited, "Exchange Plaza", Bandra Kurla Complex, Bandra (East), MUMBAI - 400 051 Scrip Code: TNTELE	To The Manager, M/s. 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: Un-audited Financial Results of M/s. Tamilnadu Telecommunications Limited for the quarter ended 30.06.2018

With reference to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting held on 14.08.2018 (Tuesday) at 03.00 p.m. the Committee of the Board of Directors of M/s. Tamilnadu Telecommunications Limited has approved the un-audited results of the Company for the quarter ended 30.06.2018. Limited Review on the financial results has been conducted by M/s. S. Venkatram & Co, Chartered Accountants, and Chennai.

Please find enclosed herewith the following for your information and records:

- 1) Duly authenticated Statement of un-audited financial results for the quarter ended 30.06.2018
- 2) Limited Review Report of M/s. S. Venkatram & Co, Chartered Accountants.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For TAMILNADU TELECOMMUNICATIONS LIMITED,

(Sanjeev Kumar Kesari)
Managing Director



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

CIN : L32201TN1988PLC015705, TEL : 044 28292653, email : tlcosec@gmail.com, website : www.ttdfc.in

Statement of Unaudited Financial Results for the Quarter ended June 30, 2018

(Rupees in Hundreds)

S.No	Particulars	For the Quarter ended			For the Year ended	
		30th June, 2018 (Unaudited)	31st March, 2018 (Audited)	30th June, 2017 (Unaudited)	31st March, 2018 (Audited)	
I	Revenue from Operations	-	-	6,989	160,689	
II	Other Income	794	2,203	941	3,849	
III	Total Income (I+II)	794	2,203	7,930	164,538	
IV	Expenses					
	(i) Cost of Materials Consumed	2,801	-540	22,228	103,843	
	(ii) Excise Duty	-	-	-	777	
	(iii) Changes in inventories of finished goods, work-in-progress and stock- in-trade	-	325	-19,304	7,968	
	(iv) Employee Benefit Expenses	126,476	137,020	126,478	513,564	
	(v) Finance Cost	214,336	217,956	201,178	844,195	
	(vi) Depreciation	7,426	7,381	7,877	30,255	
	(vii) Other Operating and General expenses	31,067	24,280	27,816	102,315	
	Total Expenses (IV)	382,106	386,421	366,273	1,602,917	
V	Profit/(loss) before exceptional items and tax (III-IV)	-381,313	-384,217	-358,343	-1,438,379	
VI	Exceptional items	-	-	-	2,155	
VII	Profit/(Loss) before tax (V-VI)	-381,313	-384,217	-358,343	-1,440,534	
VIII	Extraordinary Items	-	-	-	-	
IX	Profit before Tax (VII-VIII)	-381,313	-384,217	-358,343	-1,440,534	
X	Tax expense	-	-	-	-	
	(i) Current Tax	-	-	-	-	
	(ii) Deferred Tax	-	-	-	-	
XI	Profit/(Loss) for the period continuing operation (IX-X)	-381,313	-384,217	-358,343	-1,440,534	
XII	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss:					
	-Remeasurement of defined benefit plans	-	20,550	-	20,550	
XIII	Total Comprehensive Income for the period (IX+X)	-381,313	-363,668	-358,343	-1,419,984	
XIV	Paid-up equity share capital (Face value Rs.10/- each)	4,567,620	4,567,620	4,567,620	4,567,620	
XV	Reserves and Surplus (excluding Revaluation Reserve)	-13,572,284	-13,196,400	-12,132,770	-13,196,400	
XVI	Earnings Per Share (In Rs.)					
	(i) Basic	(0.83)	(0.84)	(0.78)	(3.15)	
	(ii) Diluted	(0.83)	(0.84)	(0.78)	(3.15)	

Notes to Published Results:

- The Ind AS compliant interim unaudited stand alone financial statements for the corresponding three months ended 30th June 2017 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 05th July, 2016.
- These results were reviewed by the Audit Committee of the Board on 14th August, 2018 and subsequently approved by the Board of Directors at its meeting held on 14th August, 2018. The results have been reviewed by the Statutory Auditors of the Company
- The accumulated losses of the Company, Rs13,577,712 as of 30th June 2018 had exceeded the net worth of the Company. The net worth of the Company as of 30th June 2018 is negative at Rs.9,010,092.
- 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.




5 With effect from 01st April 2018, the company has adopted IndAS 115 "Revenue from Contracts With Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

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
8 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.

9 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.

10 Depreciation has been provided as per the requirement of Part C of Schedule II to the Companies Act, 2013.

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

12 **The financial results have been reviewed by the Statutory Auditors as required under Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and has qualified their limited review report on the unaudited financial results for the quarter ended 30th June 2018 in respect of following matters:**

a. The Company has not carried out actuarial valuation as of 30th June, 2018, relating to Gratuity and leave encashment benefits in terms of Ind AS 19 impacting total comprehensive income attributable to equity shareholders
Due to inadequacy of profits, the management has decided to provide for gratuity and leave encashment benefits in terms of Ind AS 19 on a provisional basis for the quarterly review and will provide based on actuarial valuation at the year end i.e. 31st March.

b. The Company has not recognised the following financial liability/asset at fair value in terms of Ind AS 109.

i. Amount due to Fujikura Ltd amounting to Rs. 1,89,65,590/- and

ii. Trade Receivables (considered good) amounting to Rs. 7,21,65,253/-

As the Company in respect of these liabilities/assets would be making payments/receiving at book value and not at fair value, the management has decided to continue the respective balances at their book values.

13 **The auditors have drawn attention to the following matters in their limited review report for the quarter ended 30th June 2018**

a. S.No. 4 to Notes to Unaudited Financial Results for the Quarter ended 30th June, 2018. The Company's accumulated losses of Rs.135,77,71,215 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.3,81,31,264/- for Quarter under review. Based on the mitigating factors discussed in the said note, the Management believes that the Going Concern assumption is appropriate

The Company is taking necessary steps to rehabilitate the operations and commence its productions.

b. The Company has not restated the amounts due to its holding company viz., Telecommunications Consultants India Limited amounting to Rs. 99,73,56,975/- at Fair value, but retained the same at its book value
As the Company would be making payments at book value and not at fair value, the management has decided to continue the respective balances at their book values.

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

Place: New Delhi

Date: 14th August 2018

For and on behalf of the Board of Directors

14/8/18
Sanjeev Kumar Kesari

Managing Director TTL



A handwritten signature in blue ink, appearing to be "Sanjeev Kumar Kesari", located at the bottom right of the page.

LIMITED REVIEW REPORT FOR THE QUARTER ENDED 30TH JUNE 2018

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 30th June, 2018 (the "Statement") prepared by the Company pursuant to the requirements 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.
2. 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.
3. 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.

4. **Basis for Qualified Conclusion:**

- a. The Company has not carried out actuarial valuation as of 30th June, 2018, relating to Gratuity and leave encashment benefits in terms of Ind AS 19 impacting total comprehensive income attributable to equity shareholders.



- b. The Company has not recognised the following financial liability/asset at fair value in terms of Ind AS 109.
- i. Amount due to Fujikura Ltd amounting to Rs. 1,89,65,590/- and
 - ii. Trade Receivables (considered good) amounting to Rs. 7,21,65,253/-
5. Without qualifying our conclusion in respect of this matter, we draw attention to
- a. S.No. 4 to Notes to Unaudited Financial Results for the Quarter ended 30th June, 2018. The Company's accumulated losses of Rs.135,77,71,215 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.3,81,31,264/- for Quarter 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. 99,73,56,975/- at Fair value, but retained the same at its book value.

6. Qualified Conclusion:

Based on our review conducted as stated in Para 3 hereinabove , except for the effects of matters as detailed in paras 4 & 5 hereinabove, 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.



Place: Chennai

Date: 14th August 2018

For S. Venkatram & Co. LLP,
Chartered Accountants

FRN. No. 004656S/ S200095

A handwritten signature in blue ink, appearing to read "R. Vaidyanathan".

R. Vaidyanathan
Partner

M.No. 18953