



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
TTL/CS/BM/BSE/2017-18 CIN : L32201TN1988PLC015705, TIN : 33931603184, CST : 801114 / 26-08-1988

11.08.2017

To

The Manager,

M/s. National Stock Exchange Limited,

"Exchange Plaza"

BandraKurla Complex,

Bandra East,

Mumbai - 400 051

Dear Sir/Madam,

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

REF:NSE Code :TNTELE

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, Rukmini Lakshmipathi Road, Egmore, Chennai-600008 for the adoption of the unaudited accounts for the quarter ended 30.06.2017, accordingly, in the 155th Board meeting held on today on Friday, 11.08.2017 at 12.30 pm and concluded at 5.00pm in the Board room M/s.Tamilnadu Industrial Development Corporation (TIDCO),19A, RukminiLakshmipathi 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 30th June 2017.

Kindly acknowledge receipts.

Thanking you,

Yours faithfully,

For Tamilnadu Telecommunications Limited,

Company secretary

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

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 : tnlcosec@rediffmail.com, website : www.tnlofc.in				
Statement of Unaudited Financial Results for the Quarter Ended June 30, 2017				
Amount in Rupees in Hundreds				
Sl.No	Particulars	Three Months ended		Year ended
		30th June, 2017	31st March, 2017	30th June, 2016
		(Unaudited)	(Unaudited)	(Unaudited)
1	Income from Operations			
	(a) Net Sales / Income from Operations	6,989	250,615	71,163
	(b) Other Operating income	-	2,408	-
	Total Income from Operations (Net)	6,989	253,023	71,163
2	Expenses			
	(a) Cost of materials consumed	22,228	131,698	54,325
	(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)
	(d) Employee benefits expense	126,478	320,207	122,014
	(e) Depreciation and amortisation expense	7,877	23,516	7,827
	(f) Other expenses	27,816	323,247	98,105
	Total expenses	165,095	855,841	274,581
3	Profit / (Loss) from operations before other income, finance costs and exceptional items(1-2)	(158,106)	(602,819)	(203,418)
4	Other income	941	(46,696)	279
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(157,165)	(649,515)	(203,139)
6	Finance costs	201,178	564,894	205,465
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(358,343)	(1,214,409)	(408,604)
8	Exceptional items	-	46,062	46,365
9	Profit/(Loss) from ordinary activities before tax (7-8)	(358,343)	(1,260,470)	(454,969)
10	Tax expense	-	-	-
11	Net profit / (Loss) from ordinary activities after tax (9-10)	(358,343)	(1,260,470)	(454,969)
12	Extraordinary items (net of tax expense Rs. Nil)	-	-	-
13	Net Profit / (Loss) for the period (11+/-12)	(358,343)	(1,260,470)	(454,969)
14	Paid-up equity share capital (Face Value Rs.10 each)	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)
16	i. Earnings per share (before extraordinary items) (in Rupees)			
	(a) Basic	(0.78)	(2.76)	(1.00)
	(b) Diluted	(0.78)	(2.76)	(1.00)
	ii. Earnings per share (after extraordinary items) (in Rupees)			
	(a) Basic	(0.78)	(2.76)	(1.00)
	(b) Diluted	(0.78)	(2.76)	(1.00)
Notes:				
1) The company adopted Indian Accounting Standards ("Ind AS") and accordingly the financial results for the year ended 31 st 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 th June 2016, based on its preliminary selection of exemptions and accounting policies. All such policies and exemptions were finalized as of March 31 st 2017. However, there is no material financial impact of the above on the financial results for the quarter ended June 30 th 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 30th June 2017 had exceeded the net worth of the company. The net worth of the company as of 30th 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.

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 on 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 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) The statement includes the results for the quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the year ended March 31, 2017 and the published figures of the company up-to the third quarter of the previous financial year.

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, 2015).

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

For and on behalf of the Board of Directors


R. Devakumar

Managing Director

Place: Chennai

Date: 18.06.2017

S. VENKATRAM & CO.,

CHARTERED ACCOUNTANTS

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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 statement of the unaudited financial results of TAMILNADU TELECOMMUNICATIONS LIMITED, (the "Company") for the Quarter ended 30th 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 30th 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

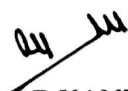


Requirements) Regulations , 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Place: Chennai

Date : 11.08.2017


R.KANDAVELU
Partner
M.No.12811

