



TAMILNADU TELECOMMUNICATIONS LIMITED

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

OPTICAL FIBRE CABLE DIVISION



Wo.ks: E18B-24, CMDA Industrial Complex, Maraimalai Nagar - 603 209. Phone : (044) 27453881, 27452406, 27451095, Telefax : +91-44-27454768

TTL/NSE/BSE/2020-21

25.08.2021

To The Manager, M/s.National Stock Exchange Of India Limited, "Exchange Plaza", Bandra Kurla Complex, Bandara (East), MUMBAI – 400 051 Scrip Code: TNTELE	To The Manager, 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: Outcome of the Meeting held on 25.08.2021 & un-audited results of M/s. Tamilnadu Telecommunications Limited for the quarter ended on 30.06.2021

With reference to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting held on 25.08.2021 (Wednesday) at 12.30 p.m, the Board of Directors of M/s. Tamilnadu Telecommunications Limited has approved the un-audited results of the company for the quarter ended on 30.06.2021 alongwith other other agenda items. The major changes considered in the meeting are below for your information and records:

- 1) Appointment of Mrs. Tmt. R. Lily, I.A.S. special secretary to Government, Industries department, secretariat as Director having DIN 03287345 from the date of meeting.
- 2) Appointment of Shri Thiru R Karthikeyan, General Manager, TIDCO as Director, having DIN 00824621 from the date of meeting.
- 3) Change in Managing Director/ KMP from Shri Sanjay Bharti Kumar, MD having DIN 08610244 who had tendered his resignation today and appointment of another Managing Director/KMP Shri J Ramesh Kannan having DIN 09292181 from the date of meeting.

Kindly take above information on record.

Yours faithfully,

(J Ramesh Kannan)
Managing Director
DIN 09292181



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(Indian Rupees in hundreds)

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2021

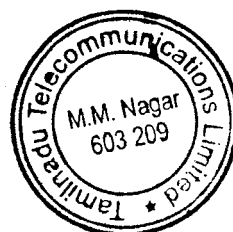
Particulars	For the Quarter Ended			Year Ended
	June 30,2021	June 30,2020	March 31,2021	March 31,2021
(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Audited
(I) Revenue from Operations	-	-	-	-
(II) Other Income	483	474	3,856	6,539
(III) Total income (i+ii)	483	474	3,856	6,539
(IV). Expenses				
(a) Cost of Materials consumed	-	-	-	-
(b) Excise Duty	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock- in-trade	-	-	-	-
(d) Employee benefits expense	56,802	43,992	(21,092)	110,630
(e) Finance Cost	202,129	209,707	196,914	808,873
(f) Depreciation and amortisation expense	6,803	7,303	12,875	34,815
(g) Other expenses	9,180	11,401	16,740	41,482
Total Expenses(IV)	274,914	272,403	205,437	995,800
(V). Profit / (Loss) before exceptional items and Tax ((III-IV)	(274,431)	(271,929)	(201,581)	(989,261)
(VI). Exceptional Items	-	-	-	-
(VII) Profit / (Loss) before tax (V-VI)	(274,431)	(271,929)	(201,581)	(989,261)
(VIII). Tax expense				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
(IX) Net Profit / (Loss) for the period from Continuing Operation after tax (VII-VIII)	(274,431)	(271,929)	(201,581)	(989,261)
(X) Profit / (Loss) from discontinued operations before tax	-	-	-	-
(XI) Tax Expense of discontinued operations	-	-	-	-
(XII) Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-
(XIII). Profit / (Loss) for the period	(274,431)	(271,929)	(201,581)	(989,261)
(XIV). Other Comprehensive Income	-	-	8,974	8,974
(XV) Total Comprehensive Income for the period [(XIII-XIV) Comprising profit/(Loss) from ordinary activities after tax and Other Comprehensive Income for the period]	(274,431)	(271,929)	(192,607)	(980,287)
(XVI). Paid-up equity share capital (Face Value of Rs 10. Each)	4,567,620	4,567,620	4,567,620	4,567,620
(XVII) Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	(17,506,097)	(16,523,308)	(17,231,666)	(17,231,666)
(XVIII) Earnings Per Equity Share (for Continuing Operation) (of Rs 10/- each) (not annualised):				
(a) Basic	(0.60)	(0.60)	(0.44)	(2.17)
(b) Diluted	(0.60)	(0.60)	(0.44)	(2.17)



M.M. Nagar

Notes to Published Results:

- 1) The IND AS compliant interim unaudited stand alone financial statements for the three months period ended 30th June 2021 have been prepared in accordance with the regulations and measurement principles laid down in Ind AS - 34 "Interim Financial 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 management have exercised necessary due diligence and ensured that the aforesaid statement provide a true and fair view of its affairs in accordance with the Companies (Indian Accounting Standards) Rules 2015.
- 2) The above results have been reviewed and approved by the Board of Directors at its meeting held on xxxth August 2021
- 3) The accumulated losses of the Company, Rs. 1,750,609,708/- as of 30th June 2021 had exceeded the net worth of the Company. The net worth of the Company as of 30th June 2021 is negative at Rs. 1,293,847,709/-.
- 4) The accumulated losses of the company had exceeded its net worth again during 2011-12. The Erstwhile BIFR has already approved a Sanctioned Scheme for the Company during 2010-11 and the Company is under re-habilitation period and is being monitored by it through the Monitoring Agency. Lack of executable orders and dull phase of Optical Fiber Cable (OFC) market from 2010-11 onwards is the main reason for such 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) Same accounting policies as that of last financial year are followed in the current quarter.
- 6) Provision for Employee Benefits have 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) In view of the commitment by the company to pay Telecommunications Consultants India Limited (the holding company) on demand basis, the company has taken a conservative approach to reflect the amount due of Rs.129,06,98,352/- at book value and not at fair value. Further since the aforesaid financial liabilities are current in nature there would only be an immaterial finance cost/income involved, on account of restatement of the balances to fair value.
- 9) The balances of debtors, creditors, advances and deposits payables/recoverables (other than Telecommunications Consultants India Limited (TCIL)) as on 30th June 2021 are subject to confirmation.
- 10) No provision is made for one long pending debtor amounting to Rs. 33,950,521/- in view of the arbitration proceeding completed against the Purchaser for which Award is received in favour of the Company but has been challenged by the Purchaser in the Court. The Court has remitted back to the Arbitrator for issuing speaking orders which has also been awarded in favour of the Company. The Purchaser has again appealed in the Court.
- 11) No provision is made for Rs. 1,339,656/- 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.
- 12) Depreciation has been provided as per the requirement of Part C of Schedule II to the Companies Act, 2013.



J. Srinivasan

13) Contingent Liabilities

a) Commercial Tax Department had demanded a sum of Rs.1,86,08,794/- as Additional Sales Tax in respect of Financial Year 2000-2001 and 2001-2002 (up to November 2001). The company has obtained a Stay from Madras High Court against the collection of above demand by depositing a sum of Rs. 75,00,000 with Commercial Tax Department as directed by the High Court while granting the stay. As the demand is disputed, the same is not provided for in the accounts. The case came up for hearing during November, 2011 and directions were issued to post the case along with the writ appeal before the Bench in another similar case where the judgment is in favour of the assessee. The writ petitions were heard by High Court, Madras, on 02-09-2015 and on 09-09-2015. On hearing the argument single Judge of High court Madras reserved the judgement. Orders are still not given by the Court.

b) The Sales Tax department has demanded a sum of Rs. 2,295,000/- during the financial year 2006-07 for non-submission of "C" Forms from BSNL / MTNL pertaining to AY 2001-02, 2002-03 and 2003-04. The Government has exempted "C" forms in respect of inter-state sales to BSNL / MTNL. The company has represented to the Department and also referred the matter to BSNL / MTNL. Next hearing date is not yet fixed.

c) The Customs Authority has demanded an amount of Rs. 10,206,795/- towards difference in classification of Optical Fibre during the year 2006-07. However, the order of the Commissioner of Customs has come in favour of the Company during the year 2009-10 dropping the proceedings. Department has gone for appeal against the order. The company has filed the Counter. The Tribunal vide its Final Order dated 19/12/2017 remanded the matter back to the Commissioner for fresh decision after the outcome of the case pending in Supreme Court on the issue of jurisdiction of DRI to issue the notice. As such, the issue has to be argued and decided afresh.

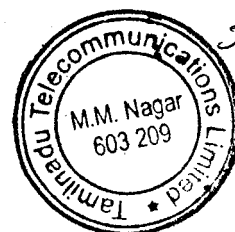
d) There is a demand from IT department for Rs. 17,74,729/- towards short deduction of TDS against interest payable to TCIL. We have represented the case with IT Department.

e) Total penalty amounting to Rs. 47,76,640/- is levied by the BSE and NSE stock exchanges pursuant to non-compliance with SEBI(Listing Obligations & Disclosure Requirements) during the year 2018-19 and Rs.38,37,360/- during the year 2019-20. The Company has made written representation to the Stock exchanges for waiver of this penalties.

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

15) 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 adverse conclusion has been given in their Limited review report on the unaudited financial results for the Quarter ended June 30,2021 in respect of the following matters:

a) The Company's financial statements have been prepared using the going concern assumption of accounting. However, the Company's accumulated losses of Rs. 1,750,609,708/- 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 not operated its factory since August 2017 and NO sales effected for more than two years. It is also pertinent to note that power connections in the factory are disabled. Further, as represented by the company, the machineries would involve major overhauling cost to resume operations and the company is also unable to obtain support for supply of major raw material required for manufacture from its supplier. Also, the company has not bagged any new orders to substantiate the going concern assumption.



J. Ramakrishnan

As per Standard on Auditing (SA) 570, "If the financial statements have been prepared using the going concern basis of accounting but, in the auditor's judgment, management's use of the going concern basis of accounting in the financial statements is inappropriate, the requirement in paragraph 21 for the auditor to express an adverse opinion applies regardless of whether or not the financial statements include disclosure of the inappropriateness of management's use of the going concern basis of accounting."

Hence, considering the cumulative effect of the factors detailed in the above paragraph in the revival of the company, the auditors have concluded that the Going Concern assumption of the management in preparation of financial statements is inappropriate.

b) The Company has not recognized the following financial liability/asset at fair value in terms of Ind AS 109 and impact of the same on the financial Statements is not ascertainable.

- i. Amount due to Fujikura Ltd amounting to Rs.1,98,07,090/- and
- ii. Trade receivables (considered good) amounting to Rs.7,13,62,110/-
- iii. Unsecured Trade Payables amounting to Rs. 3,41,14,712/-

16) The Auditors have drawn attention to the following matters in their Limited review report for the quarter ended 30th June 2021.

a) Note No. 8 of the notes to Statement of unaudited financial results and Statement of assets and liabilities which states the reason for non-recognition of amounts due to the holding Company viz., Telecommunications Consultants India Limited amounting to Rs. Rs.129,06,98,352/- at Fair Value in accordance with IndAS 109.

b) Note No. 9 of the notes to Statement of unaudited financial results and Statement of assets and liabilities, which states that the balances carried in the debtors, creditors, advances & deposits payable / recoverable are subject to confirmation from all parties (other than Telecommunications Consultants India Limited).

c) The company has not carried out actuarial valuation as of 30th June 2021, relating to Gratuity and leave encashment benefits in terms of Ind AS 19 impacting total comprehensive income attributable to equity shareholders.

d) The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence the disclosure relating to amounts unpaid as at the quarter end together with interest paid / payable under this Act could not be ascertained.

17) Revival of TTL

(a) Renowned Consultant has been appointed on 28th July 2021 to give report on monetisation of factory and vacant land for implementation of their suggestion for revival of the company.

(b) Diversification of business is being explored to sustain in the competitive cable industry.

(c) Preferential orders from Tamil Nadu Fibrenet Corporation (TANFINET), State PSU, for supplying Optical Fiber Cable in Tamilnadu (for implementation of Bharatnet project in Tamilnadu) is being pursued from State Govt. Of Tamilnadu through TIDCO

(d) Business partners are being explored / contracted for fresh investment in the company for revival of the factory and in the new areas of business.



J. Ramesh Kannan
J. Ramesh Kannan)
CFO

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STATEMENT OF ASSETS AND LIABILITES

(Indian Rupees in Hundreds)

Particulars	As at	
	30-Jun-21	31-Mar-21
ASSETS		
1 NON CURRENT ASSETS		
(a) Property ,Plant and Equipment	821,078	827,882
(b) Other non-current assets	1,835	1,835
Total Non current assets	822,913	829,717
2 CURRENT ASSETS		
(a) Inventories	107,822	107,822
(b) Financial Assets		
(i) Trade Receivables	713,621	713,621
(ii) Cash and Cash equivalents	57,848	41,125
(iii) Short term loans	207	207
(c) Other current assets	183,839	174,410
Total Current assets	1,063,336	1,037,185
Total Assets	1,886,250	1,866,902
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share Capital	4,567,620	4,567,620
(b) Other Equity	(17,506,097)	(17,231,666)
Total Equity	(12,938,477)	(12,664,046)
LIABILITIES		
1 Non Current Liabilities		
(a) Financial Liabilities		
(i) Long term borrowings	1,165,730	1,165,730
(b) Long Term Provisions	478,096	471,824
Non Current Liabilities	1,643,826	1,637,554
2 Current Liabilities		
(a) Financial Liabilities		
(i) Short term Borrowings	1,817,023	1,730,970
(ii) Trade Payables	6,228,476	6,227,964
(iii) Other Financial liabilities	4,248,832	4,047,286
(b) Other current liabilities	282,649	274,229
(c) short term provisions	603,921	612,945
Current Liabilities	13,180,901	12,893,394
Total of Equity and Liabilities	1,886,250	1,866,902

For and on behalf of the Board of Directors

Place : New Delhi

Date : 14.08.2021



J. Ramesh Kannan
(J.RAMESH KANNAN)

CFO

TAMILNADU TELECOMMUNICATIONS LIMITED

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STATEMENT OF CASH FLOW

Accounting Policy:

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows .

Amendment to Ind AS 7:

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements."

(Indian Rupees in Hundreds)

Description	For the period ended 30th June 2021	For the period ended 30th June 2020
Cash Flow from Operating Activities:		
Net Profit / (Loss) before tax	(274,431)	(271,929)
Adjustments for		
Add: - Depreciation	6,803	7,303
- Interest & Finance Charges	202,129	209,707
- Loss on sale of assets	-	-
- Exchange Rate Fluctuations - Loss / (Gain)	-	-
	(65,499)	(54,919)
Less: - Interest/Dividend Received	483	474
Operating Profit before Working Capital changes	(65,982)	(55,393)
Changes in assets and liabilities:		
- Trade Receivables	-	-
- Other Current receivables	(9,429)	(2,810)
- Inventories	0	377
- Other Non - current assets	(0)	-
- Trade Payables	512	604
- Other financial liabilities, other liabilities, borrowings and provisions	286,996	265,803
Cash generated from Operations	212,097	208,581
Income Tax	-	-
Cash Flow after tax before exceptional items	212,097	208,581
Exceptional items	-	-
Exchange Rate Fluctuations - (Loss) / Gain	-	-
Net Cash generated by Operating Activities- A	212,097	208,581
Cash Flow from Investing Activities:		
Purchase of Non-Current Assets	-	-
Sale of Fixed assets	-	-
Interest/Dividend Received	483	474
Net Cash from / (used) in Investment Activities -B	483	474
Cash Flow from Financing Activities:		
Increase / (Repayment) of Non Current Liabilities	6,271	24,815
Interest charges	(202,129)	(209,707)
Dividends Paid	-	-
Dividend Tax	-	-
Net Cash used in Financing Activities-C	(195,857)	(184,892)
Net (decrease)/Increase in Cash Equivalents (A+B+C)	16,723	24,163
Cash & Cash Equivalents at the beginning of the Period	41,125	39,989
Cash & Cash Equivalents at the end of the year	57,848	64,153

Notes:

- Cash and cash equivalents represents cash in hand and cash with scheduled banks.
- Figures for the previous year have been re-grouped wherever necessary.

J. Ramesh Kannan
(J.Ramesh Kannan)
CFO

