



V. NARAYANAN & CO

Chartered Accountants

Partners

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

Adverse Opinion

We have audited the accompanying standalone financial statements of **Tamilnadu Telecommunications Limited.** (the "Company") which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the aforesaid standalone financial statements do not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, **the Loss** and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Adverse Opinion

- (a) We draw attention to Note 1(a) & 31 which describes that the Company's financial statements have been prepared using the going concern assumption of accounting. However, the Company's accumulated losses of Rs.2,05,42,225 Hundreds (including other Comprehensive Income) (Previous year Rs.1,93,59,324 Hundreds) has eroded the Net Worth of the Company's, 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 2017 and *NO* sales effected for more than five years. It is also pertinent to note that power connections in the factory are disabled. Further, as represented by the company, the machinery 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.

Other Offices :

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Hence, considering the cumulative effect of the factors detailed above, we conclude 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 (including comparative figures as on 31 March 2022) and Impact of the same on the financial statements is not ascertainable:
- i. Amounts due to M/s.Fujikura Limited amounting to Rs.2.06.756 hundreds (Previous Year- Rs.2,00,306) (In hundreds) (Note No 16)
 - ii. Trade Receivables (considered good) amounting to Rs.6.09.541 hundreds (Previous Year- Rs. 7,06,655) (In hundreds) (Note No 5)
 - iii. Unsecured Trade payables amounting to Rs.3.42.963 hundreds (Previous Year-Rs.3,37,049) (In hundreds) (Note No 15).

Emphasis of Matter

- 1) We draw attention to Note No. 48 of the explanatory notes to the financial statements which states the reason for non-recognition of amounts due to the holding Company viz., Telecommunications Consultants India Limited amounting to Rs. 1,46,41,843 hundreds (Previous Year – Rs. 1,35,81,291 hundreds) at Fair Value in accordance with Ind AS 109. Our opinion is not modified in respect of this matter.
- 2) Attention is invited to Note Nos. 5,7,9,15,16 of the notes to financial statements, where the balances carried in the Trade payables, Trade receivables, Advances & deposits payable / recoverable are subject to confirmation from all parties (other than Telecommunications Consultants India Limited) as stated in Note No. 29. Our opinion is not modified in this respect.
- 3) Attention is invited to Note No. 45 of the explanatory notes to the financial statements which states that the Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Our opinion is not modified in this respect.

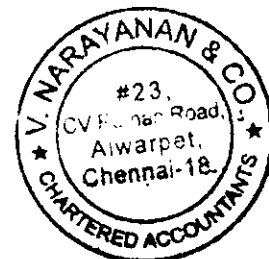
Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. Those matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Adverse opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

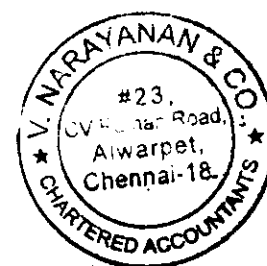
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting



from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Our observations in “**The Basis for Adverse**” Paragraph here-in-above regarding the assumption of Going Concern, in our Opinion, may have adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note No. 30,38,39,42 & 44 to the financial statements:
 - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - iii. According to the information and explanations given to us and based on our examination of the records, there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No.51.16(a) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented, that, to the best of it’s knowledge and belief, as disclosed in the Note No.51.16(b) to the financial statement, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under clause (iv) (a) and (iv) (b) contain any material misstatement.



- v. The Company has neither declared nor paid any dividend during the year.
3. We draw attention to the Note No 47 to the financial statements, explaining the reasons for non-applicability of section 197 of the Companies Act, 2013. Accordingly, reporting under 197(16) of the section is not applicable.
4. Report on the Directions issued by the Comptroller and Auditor General of India, under Section 143(5) of the Companies Act, 2013 for conducting audit of accounts for the year 2022-23 is given below: -

1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company maintains Tally ERP as the accounting program for maintenance of books of accounts. Tally being the only IT system used by the Company, not all transactions (including payroll processing, stock procurement, stock dispatch etc..) are computerized thereby resulting in involvement of human intervention. There is no financial implication.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	In the current period under review (FY 2022-23), there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company, even though the Company is not regular in repayment of its dues (Principal and Interest) with respect to the borrowings from M/s Telecommunications Consultants India Limited being one of the promoters of Company.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	The Company did not receive any funds for specific schemes from Central/State agencies during the (FY 2022-23).

For M/s. V. Narayanan & Co.
Chartered Accountants
Firm Registration No 002398S

S.U. Sridharan
Partner
ICAI Membership No: 019613
UDIN: 23019613BGXMIQ9820



Place: Chennai
Date: 30-05-2023

Annexure A referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of even date to the members of Tamilnadu Telecommunication Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) In respect to Property, Plant and Equipment:

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not own Intangible assets and the maintenance of records of the same is not required.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has a regular programme of physical verification of its property, plant and equipment are verified in annual manner. In accordance with this programme, all the property, plant and equipment were during the year. In our opinion, this periodical verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company. However, Immovable property of 7.36 acres situated at maraimalai nagar, has been allotted to the company by the Government of Tamilnadu, by issuing a land delivery receipt note which constitutes as property held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies



Annexure A referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of even date to the members of Tamilnadu Telecommunications Limited on the financial statements for the year ended 31 March 2023

were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, clause (iii)(a), clause (iii)(b), clause (iii)(c), clause (iii)(d), clause (iii)(e) & clause (iii)(f) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii)(a) According to the information and explanations given to us, undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Provident Fund, Employees' State Insurance, TDS and Property Tax were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

Following is the summary of statutory dues as at the last day of the financial year outstanding for a period of more than six months from the date they become payable.

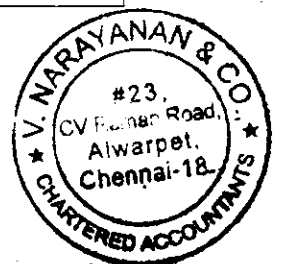


Annexure A referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of even date to the members of Tamilnadu Telecommunications Limited on the financial statements for the year ended 31 March 2023

Name of the Statute	Nature of the Dues	Amount (Rs. In Hundreds)	Period
Employees' State Insurance Act	Employer and Employee Contribution	108	July'18 to Sep' 2019
The Employees' Provident Funds and Miscellaneous Provisions Act	Employer and Employee Contribution	77,217	July'18 to Sep' 2022
The Employees' Provident Funds and Miscellaneous Provisions Act	Voluntary Contribution of Employee	8,425	July'18 to Sep' 2019
Income Tax Act	TDS Payable-Interest Charges	1,59,418	Apr'18 to Sep' 2022
Municipal Tax	Property Tax	67,221	Since 2009-10 to 2019-20 (Apr'19 to Sep'22')
Goods and Service Tax	IGST RCM Output	185	Mar'19 to Apr'19
Professional Tax	Professional Tax	1,254	Mar'19 to Sep'22

b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Statute	Nature of Dues	Amount (Rs. In Hundreds)	Forum where dispute is pending	Remarks
Sales Tax	Additional Sales Tax (FY 2000-2001 & 2001-2002)	1,86,088	High Court of Madras	Recognized as Contingent Liability in Balance Sheet
Sales Tax	Non-Submission of C-Forms (AY 2001-02, 02-03 and 03-04)	22,950	Commercial Sales Tax Department	Recognized as Contingent Liability in Balance Sheet

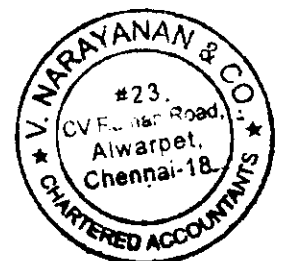


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Duty of Customs	Difference in Classification of imports (FY 06-07)	1,02,067	Commissioner of Customs	Recognized as Contingent Liability in Balance Sheet
Income Tax	Default in Traces Website	29,052	Income Tax Department	Recognized as Contingent Liability in Balance Sheet
Income Tax	Outstanding Demand for AY 2009-10 Tax demand: 557 Interest accrued: 2421	2,978	Income Tax Department	Recognized as Contingent Liability in Balance Sheet
Sales Tax	VAT on disposal of Movable Assets (FY 2011-12 to 2015-16)	257	Assistant Commissioner (CT)	Provision created in books
Sales Tax	Tax on cross verification of buyer and seller (FY 2013-14)	3,431	Assistant Commissioner (CT)	Provision created in books
Sales Tax	Tax on Non Submission of C Forms (FY 2012-13 to FY 2015-16)	14,354	Assistant Commissioner (CT)	Provision created in books
Sales Tax	ITC Reversal for CST sales without C Form (FY 2012-13 to FY 2014-15)	27,793	Assistant Commissioner (CT)	Provision created in books

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

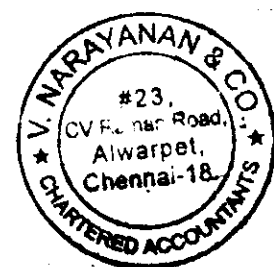
(ix)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company have loans or borrowings from Telecommunications Consultants India Limited during the year. Due to severe cash crunch and non-operation of business during the past years, the company is being supported by its holding company, Telecommunications Consultants India Limited. Following is the disclosure of amount outstanding and the break-up of same:



Annexure A referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of even date to the members of Tamilnadu Telecommunications Limited on the financial statements for the year ended 31 March 2023

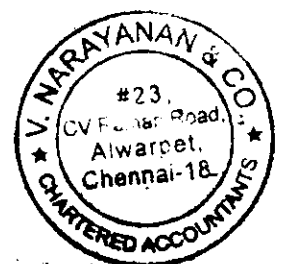
Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (Rs. In Hundreds)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Material Loan, Bridge Loan & Working Capital	Telecommunications Consultants India Private Limited	1,35,81,291	Principal &	>365 Days	
		10,60,552	Interest	<365 Days	

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us by the management, no funds raised have been raised on short term basis. Accordingly, clause (ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause (ix)(e) of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



Annexure A referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of even date to the members of Tamilnadu Telecommunications Limited on the financial statements for the year ended 31 March 2023

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on our audit procedures and according to the information and explanation given to us, we report that, the company has not received any whistle-blower complaints during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards. (Refer Note No.46)
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses of Rs. 11,60,013 (Rs. In Hundreds) in the current year and Rs. 10,09,993 (Rs. In Hundreds) in the immediately preceding financial year.

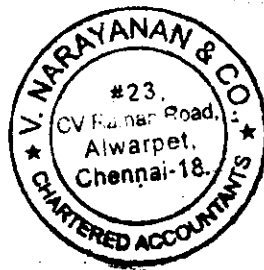


Annexure A referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of even date to the members of Tamilnadu Telecommunications Limited on the financial statements for the year ended 31 March 2023

- (xviii) We have been appointed as statutory auditors by the Comptroller and Auditor General of India for the year under consideration in the place of the previous statutory auditors. We have taken into consideration the issues, objections or concerns raised by the outgoing auditors;
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The Company is not a holding company and there are no one or more subsidiaries. Hence, the preparation of consolidated financial statements as per section 129(3) of Companies Act, 2013 and according reporting under clause (xxi) of the Order is not applicable to the Company.

For M/s. V. Narayanan & Co.
Chartered Accountants
Firm Registration No 002398S

S.U.Sridharan
Partner
ICAI Membership No: 019613
UDIN: 23019613BGXMIQ9820



Place: Chennai
Date: 30-05-2023

Annexure ‘B’ to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Tamilnadu Telecommunications Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Tamilnadu Telecommunications Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

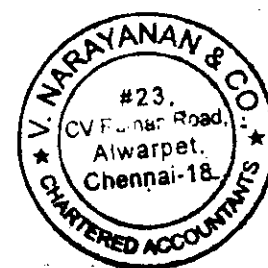
Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

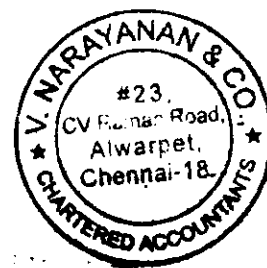
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Adverse Opinion:

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2023:

- 1) The management's assumption as Going concern is Inappropriate considering the existence of material uncertainty in relation to the assumption of Going Concern as described in Basis for Adverse Opinion paragraph of the Independent Auditor's Report.
- 2) Non-recognition of financial asset / liability at fair value as per Ind AS 109 as described in Basis for Adverse Opinion paragraph of the Independent Auditor's Report.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.



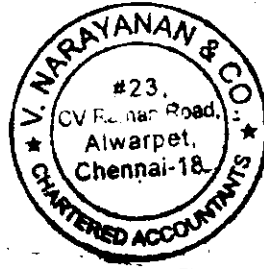
In our opinion, because of the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company did not have adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as at 31st March 2023, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Adverse Opinion

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31st March 2023, and these material weaknesses have also affected our opinion on the financial statements of the Company and we have issued a Adverse opinion.

For M/s. V. Narayanan & Co.
Chartered Accountants
Firm Registration No 002398S

S.U.Sridharan
Partner
ICAI Membership No: 019613
UDIN: 23019613BGXMIQ9820



Place: Chennai
Date: 30-05-2023