

**Tamilnadu
Telecommunications
Limited**

28th Annual Report
2015-16

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Board of Directors	Shri. Rajesh Kapoor	(DIN:06370394)	- Director
	Shri.V.S.Parameswaran	(DIN:03559930)	- Managing Director
	Shri. A.V.V.Krishnan	(DIN: 06404202)	- Director
	Shri.B.Elangovan	(DIN:00133452)	- Director
	Shri.B.Ramakrishnan	(DIN:00182214)	- Director
	Smt. M.S.Shanmugam	(DIN: 02475286)	- Director
	Shri. Christy Fernandez	(DIN:00090752)	- Special Director appointed by BIFR

Company Secretary	:	Shri Ajay Shukla
Chief Financial Officer	:	Shri.T. S. Sivaramakrishnan
Registered Office	:	No.16, 1 st Floor, Aziz Mulk 3 rd Street, Thousand Lights, Chennai – 600 006 CIN : L32201TN1988PLC015705 Telefax : 044 28292653 Website : www.ttlofc.in
Factory	:	E 18B – E24, CMDA Industrial Complex, Maraimalainagar – 603 209, Tamilnadu
Auditors	:	M/s. S Venkatram & Co., Chartered Accountants, 218, T.T.K. Road, Alwarpet, Chennai – 600018
Secretarial Auditors	:	M/s. M. Damodaran & Associates, Practicing Company Secretaries New No.6, Old No.12, Appavoo Gramani 1st Street, Mandaveli, Chennai-600028
Promoters	:	Telecommunications Consultants India Limited, 'TCIL BHAWAN', Greater Kailash – I, New Delhi – 110 048 Tamilnadu Industrial Development Corporation Limited, 19-A, Rukmini Lakshmi pathy Road, Egmore, Chennai – 600 008
Registrar & Share Transfer Agents	:	Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai – 600 002. Phone : 044 – 28460390

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form may register their email Id by informing the same to the Company or its R&T Agent.

- Note :
1. No Gifts / Coupons will be distributed at the meeting.
 2. Please bring your copy of the enclosed Annual Report to the meeting.

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Tamilnadu Telecommunications Limited is scheduled to be held at 02.30 PM on Tuesday, 27th September 2016 in the Shri Venkata Auditorium at Bharatiya Vidya Bhawan No.18-22 East Mada Street, (Near Kapaleeswarar temple), Mylapore, Chennai – 600004, to transact the following business.

Ordinary Business

01. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March 2016 including the Audited Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors' Report thereon.
02. To appoint a Director in place of Shri. Rajesh Kapoor (DIN 06370394), who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Shri. B. Ramakrishnan (DIN 00182214), who retires by rotation and being eligible, offers himself for re-appointment.
04. Shareholders seeking any information with regard to accounts are requested to write to the company at least three days before the date of the meeting so as to enable the management to keep the information ready.
05. The shareholders may note that the dividend for the financial year ended 31st March 2001 which remained unpaid or unclaimed for a period of 7 years had been already transferred to the Investor Education and Protection Fund established under Section 205C of the erstwhile Companies Act, 1956.
06. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
07. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.

By order of the Board
For **TAMILNADU TELECOMMUNICATIONS LIMITED**

Place: Chennai
Date: 29.08.2016

V.S.Parameswaran
Managing Director
(DIN 03559930)

Important Notes:

01. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member. The proxy, in order to be effective, must be deposited / lodged at the Registered Office of the Company duly completed and signed not less than 48 hours before the meeting. A form of proxy is given at the end of the Annual Report. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.
02. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.09.2016 to 27.09.2016 (both days inclusive) in connection with the Annual General Meeting.
03. Members/ proxy holders are requested to produce the enclosed attendance slip duly filled and signed as per the specimen signature recorded with the company for admission to the meeting hall.
08. Details under regulation 36(3) of the SEBI Listing Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
09. Electronic copy of the Annual Report for 2015-16 will be sent to all the members whose email address are registered with the Company/DP/RTA for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode and the members are requested to provide their e-mail address to Company/DP/RTA. Members are requested to kindly bring their copy of the Annual Report to the Meeting.
10. Pursuant to regulation 44 of the SEBI Listing Regulations, 2015, read with Section 108 of the Companies Act, 2013, and the relevant Rules, the Company has entered into an arrangement with CDSL to facilitate the members to exercise their right to vote at the AGM by electronic means. **Instructions for exercise of voting rights by electronic means are furnished separately in the Annual Report.**
11. A member who has participated in remote e-voting shall attend the meeting physically though he shall not be able to vote in the meeting again and his vote cast electronically shall be treated as final. In terms of

TAMILNADU TELECOMMUNICATIONS LIMITED

provisions of Section 107 of the Companies Act, 2013 there will be no voting by show of hands at the meeting, since e-voting is in place.

- 12 Shri. M. Damodaran (Membership No. 5081) of M. Damodaran & Associates, Practicing Company Secretaries, Chennai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Particulars of the Directors seeking re-appointment in the forthcoming AGM Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Brief profile of the Directors who retire by rotation and are eligible for re-appointment:

01. Shri. Rajesh Kapoor, aged 58 years has been in the Board of the Company since March 2013 in place of Shri. Vinod Kumar Sharma. He is a B.Sc. Engineering (Electronics & Electrical Communication) in First Division with Honours from Punjab University. He has got more than 34 years experience in various capacities in the field of Information Technology and Telecommunications covering Project Management and execution, Consultancy, Business Development Operations Management, Strategic Planning, System Analysis, Design Software Development and Training. He holds NIL shares in TTL. The details of Directorships / Committee Membership in other companies

Name of the Companies	Nature of Interest
Telecommunications Consultants India Limited	Director (Technical)

02. Shri. B. Ramakrishnan, aged 52 years has been in the Board of the Company since December 2009. He is a Bachelor of Technology and MBA. He has 17 years of technical experience in projects evaluation and management. He holds NIL shares in TTL. The details of Directorships / Committee Membership in other companies

Name of the Companies	Nature of Interest
SKM Egg Products Export (India) Limited	Director
Saptarishi Agro Industries Limited	Director
Nilgiris Flower Company Limited	Director
Intgen Agro Products Limited	Director
Vishnu Fabrics Private Limited	Director
Occimum Pharma Private Limited	Director
Sattva Agro Expo Private Limited	Director
Devaraj Agro Industries Private Limited	Director

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

In case of members receiving e-mail:

- (i) The voting period begins on 23rd September 2016 at 11.00 am and ends on 26th September 2016 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p>

	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

TAMILNADU TELECOMMUNICATIONS LIMITED

REPORT OF DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

To

The Members

Your Directors present the Twenty Eighth Annual Report, together with the Audited Accounts of the Company for the year ended 31st March 2016.

Financial Results (Rs. in Lakhs)

	2015-16	2014-15
Revenue from operations	418.57	1414.79
Other Income (Net)	0.89	632.88
Total Revenue	419.46	2047.67
Total Expenditure	1166.18	2095.88
Finance Charges	815.86	778.54
Extraordinary / Exceptional items	1.21	(0.16)
Gross Profit / (Loss) after interest before Depreciation & Tax	(1563.79)	(826.59)
Depreciation and Amortization Expense	31.64	30.90
Provision for Taxation / Deferred Tax	—	—
Net Profit / (Loss)	(1595.43)	(857.49)

The net loss after Tax is Rs. (1595.43) lakhs against net loss of Rs.(857.49) lakhs made during the previous year.

Review of Operations

During the year under review, the company's sales and other income was Rs.419.46 lakhs. The entire revenue is achieved from the Optical Fibre Unit. Overall the market condition of OFC was not encouraging during this year also and the order booking status was not as expected. The Company operated at a capacity utilization of less than 10%. As reported during the previous year, though BBNL has issue APO for supply of 5800 KMs of 24F OFC with accessories worth Rs.31.90 Cr. during February 2014, PO was issued for only 50% equivalent to 2900 KMs in April 2014. Out of this BBNL has issued consignee details for around 1788 KMs. only and the Company has executed 1789.616 KMs. During the FY 2015-16 there were no major orders.

You are aware that BIFR has issued a Sanctioned Scheme to the Company on 21.07.2010. As per the Sanctioned Scheme the Board of Directors had issued 1,54,32,700 equity shares of Rs.10 each to M/s. Telecommunications Consultants India Limited (TCIL), 42,47,500 equity shares of Rs.10 each to State Bank of India, 20,70,600 equity shares of Rs.10 each to Andhra Bank and 12,65,200 equity shares of Rs.10 each to Punjab National Bank by converting part of the loans into equity during 2010-11. The shares in physical format were issued on 14.09.2010. Out of the bridge loan of Rs.12.50 crores from TCIL as per the Sanctioned Scheme of BIFR, the Company had availed Rs.11.66 crores during 2010-11 towards OTS to consortium bankers and towards payment of the

Tamilnadu Government land in possession of the Company. With the above restructuring the net worth became positive during 2010-11. However from 2010-11 onwards, the desired results as projected in the Scheme couldn't be achieved due to OFC market conditions. The OFC market from 2010-11 was not as projected and the order booking status was not encouraging. You are aware that the big order from BSNL during 2010-11 also could not materialize due to non availability of one of the critical Raw Material Nylon 12. Due to this, the Net worth has again eroded during 2011-12 and became negative. The year under review was also not encouraging due to lack of required level of executable orders. Hence this has again resulted in accumulation of losses and thereby the Net worth has further eroded.

There are huge requirement of OFC in the country. Hence the company is hopeful of improvement in the order booking for OFC. However hectic competition is prevailing in this field. Since the OFC market is picking up and the Company is also exploring successful diversification project, a Modified Draft Rehabilitation Scheme shall be prepared at appropriate time for submission to BIFR through the Monitoring Agency, once the decision of lead promoter TCIL/DOT is conveyed.

Market Scenario and Outlook

Though the OFC market condition in India was not encouraging from 2010-11 onwards, considering the NOFN project and the improving OFC market conditions, the OFC market is expected to pick up again and will grow further in future. Since the execution of NOFN project all over the country is delaying, now the execution seems to be decentralized for execution by the states. Already Andhra Pradesh & Tamilnadu have initiated action on this front. In view of this, it is expected that the NOFN project of the government will move fast in future. MTNL and BSNL are both focusing on Fibre Termination to Home (FTTH) deployment as this gained momentum across the Globe. The demand for data services is increasing. The company expects that of telecom cables sector to increase in volumes in the back-drop of the increased plan of BSNL for deployment of high fibre count OFC for inter exchange links and long-haul projects is likely to provide the much needed fillip for Ribbon type Optical Fibre Cables. This may reinforce and add to the competitive strength of the company which is one of the few players equipped to manufacture Ribbon type of OFC in India.

The industry also expects the increased broadband applications to spur the growth of optical fibre cable networks in the coming years. In power sector ADSS cable applications are increasing day by day.

The optic fibre industry at home is also poised for a period of significant growth and the demand is expected to surpass the current manufacturing facility. This favourable trend is expected to continue at least over the next few years. The company continues to take all initiatives to retain the competitive edge and be in a position to meet the requirements of the market. The medium / long-term prospects will augur well for the company. The company continues to emphasize on cost cutting through enhanced productivity, reduction in logistics and other costs. The company will continue its efforts to

further prune all its fixed costs including administrative and discretionary overheads.

The Company is also exploring the possibilities for diversification in the related areas like manufacturing and supply of FTTH components, OFC accessories, tablet PCs etc. Though the Company has successfully executed assembling, validation and supply of Tablet PCs during 2012-13 under TCIL's CSR project, could not get further orders. For implementation of any of this successful venture after feasibility study, the vacant land available with the Company will be utilized for this project by having tie up arrangement with suitable Joint Venture partner. Efforts are being taken to study the market and to identify a suitable JV partner to proceed further. Efforts are being taken through TIDCO also. On finalizing a successful project, action for executing in big volume will be considered after taking all relevant approvals including from BIFR.

Cautionary Statement

Statements in the Directors' Report and Management Discussion & Analysis contain forward looking statements. Actual results, performances or achievements may vary materially from those expressed or implied, depending upon economic conditions, Government policies, subsequent developments and other incidental factors.

Risk & Concern

The industry is facing challenging cost pressures as the cost of major raw materials are varying because the market is volatile. The variations in exchange rate fluctuation are also a threat towards cost of production. The competition within OFC business is becoming fierce due to emerging new technologies and frequent new product introductions in Optical fibre products which command competitive prices and preference in the market. The market price of cables is also varying due to competition.

Directors

In accordance with Sec.152 (6) and (7) of the Companies Act, 2013, read with Articles 79 & 80 of the Articles of Association of the company, Shri. Rajesh Kapoor and Shri B.Ramakrishnan, will retire from the Directorship of the company by rotation and being eligible, offers themselves for re-appointment.

Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, the Directors of the Company hereby state and confirm that –

- In the preparation of the annual accounts the applicable accounting standards had been followed.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2016, and the loss of the Company for the year ended on that date.
- They have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- They have prepared the annual accounts on a going concern basis considering the comparative growth in OFC market, future prospects of the Company with the support of TCIL.
- They have laid down internal financial control to be followed by the company and that such internal financial control are adequate and were operating effectively.
- They have devised proper system to ensure compliance with all provision of all applicable laws and that systems were adequate and operating effectively.

Extracts of The Annual Return

Pursuant section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management And Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 has been attached to form part of the Board's Report.

Corporate Governance

A report on Corporate Governance with the Practicing Company Secretaries Certificate on compliance with conditions of the Corporate Governance has been attached to form part of the Annual Report.

Clarification on Practicing Company Secretaries observations is given below:

(i) The Company has not complied with Clause 49 (II) (A) (2) of the Listing Agreement and corresponding Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of minimum number of Independent Directors in the Board.

The Company is Joint sector Govt. Company with 49% of its shares held by TCIL, a Govt. of India Enterprise and 14.63% held by TIDCO, a Govt of Tamilnadu Enterprise. The Board as well as management control of the Company lies with TCIL. Being a Govt. Company, action already taken for induction of Independent Directors in the Board of the Company through TCIL with the Dept. of Telecommunications, Ministry of Telecommunications & IT. The same is being followed up through TCIL for early appointment.

(ii) The Company has not constituted Nomination and Remuneration Committee as per Clause 49 (IV) (A) of the Listing Agreement and corresponding Regulation 19(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Due to Company's sickness, only the BIFR Nominee Director is being paid sitting fees for attending the meetings. Managing Director, being on deputation from TCIL, A Govt. of India Enterprise, his salary is fixed as per TCIL's norms applicable to his cadre. The Directors of TCIL and TIDCO, A Govt. of Tamilnadu Enterprise are also paid salary by their own Organization, applicable as per their cadre in their Organization. Only the travelling expenses and local conveyance for attending the meetings are incurred by the Company. In view

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of above, no separate Committee was constituted. After appointment of Independent Directors by the Govt., necessary action will be taken for constituting the Committee.

(iii) The Company has not conducted a separate meeting of Independent Directors as per Clause 49 (II) (B) (6) (a) of the Listing Agreement and corresponding Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As replied in observation (i) above, since sufficient number of independent Directors were not available, separate meeting could not be held. Case being followed up with the Ministry through TCIL for early appointment of independent Directors in the Board. Meetings shall be conducted after induction of required number of Independent Directors.

Energy, Technology and Foreign Exchange

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Sec.134(3)(m) of the Companies Act, 2013 are enclosed as part of the Report.

Details of Director or Key Managerial Personnel who were appointed or have resigned during the year

- (i) Shri A.V.V. Krishnan GGM(F&A) ,TCIL, has been appointed as Director with effect from 22.03.2016, representing TCIL on the Board of Tamilnadu Telecommunications Limited and Shri A.K. Gupta and Shri Vimal Wakhlu existing Directors, in the Board, have resigned to be the Director on TTL Board.
- (ii) Shri M.S. Shanmugam IAS, Additional Secretary to Govt. Of Tamilnadu, Industries Department has been appointed as Director with effect from 22.12.2015, representing TIDCO on the Board of Tamilnadu Telecommunications Limited in place of Smt. G. Latha IAS, ceased to be Director with effect from 22.12.2015.
- (iii) Shri Christy Fernandez IAS (RETD), Special Nominee Director, has been appointed as Director with effect from 22.12.2015, representing BIFR on the Board of Tamilnadu Telecommunications Limited in place of Shri. N.P. Gupta IAS (RETD), ceased to be Director with effect from 22.12.2015.
- (iv) Shri V. Mohan GGM (Finance) has resigned from CFO and Shri T.S. Sivaramakrishnan, General Manager deputed by promoter company TCIL is appointed as CFO from 06.08.2015.
- (v) Shri Ajay Shukla has been appointed as Company Secretary, TTL on contractual basis w.e.f. 26.05.2015.

Personnel

The Managing Director and the Key Managerial Personnel (CFO) were on deputation from the Promoter Company TCIL which is a Govt. of India Enterprise, holding 49% stake in the Company and controlling the composition of the Board of Directors. Hence their remuneration were as per the scales applicable to their cadre in the promoter company. The existing Managing Director's salary applicable as above has been approved by the members in the 23rd AGM. Hence, being on

deputation from a Govt. of India Enterprise, the ratio as well as percentage increase not determined.

The number of permanent employees as on 31.03.2016 was 69 excluding two officials on deputation from the promoter company.

None of the employees drew remuneration of Rs.60, 00,000/- or more per annum / Rs.5,00,000/- or more per month during the year. This information is furnished as required under Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.

Human Resources

Your company is glad to announce that the industrial relations continue to be very cordial. TTL has designated and implemented a large number of initiatives to build and improve knowledge base and competencies of employees at all levels. TTL has been encouraging its employees to come out with innovative suggestions, which will pave way for significant cost savings as well as overall development of the company.

Quality Management Systems

Your Directors are happy to report that as a commitment in meeting global quality standards, your company already has IS/ISO 9001:2008 quality management systems certification from Bureau of Indian Standards. During the year license renewal has been obtained and is valid from 23.02.2015 to 22.02.2018.

Internal Control System

TTL has adequate internal control procedures in respect of all its operations. It has laid down internal control procedures to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly. Internal Audit is being carried out by Independent Audit Firm of Chartered Accountants on an ongoing basis and it recommends appropriate improvements apart from ensuring adherence in company policies as well as regulatory compliance. The Audit Committee periodically reviews the audit findings.

Corporate Social Responsibility

Since the Company is continuously incurring losses, no CSR policy has been devised.

Auditors

In terms of Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India (CAG) had appointed M/s. S.VENKATRAM & CO, Chartered Accountants as the Auditors of the company for the year 2015-16 at a remuneration of Rs. 1,00,000/- besides reimbursement of traveling and out-of-pocket expenses at actuals, subject to the other items and conditions as specified by the CAG.

Independent Auditor's Report

Clarification on Auditors observations is given below:

'Emphasis of Matter' of the Independent Auditor's Report: Without qualifying our conclusion, we draw attention to Sl. No. 3-Note -25- Notes to Accounts. As at 31st March 2016, the Company's accumulated losses of Rs.10996.11 Lakhs 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.1595.42 Lakhs for the year under audit. Based on the mitigating factors discussed in the said note, the Management believes that the Going Concern assumption is appropriate.

As mentioned in Note no. 3, The requirement of OFC in the country is huge; however, the delay in procurement is due to various procedural matters/issues in execution of big projects by the Government Clients. The Company is hoping to get continuous orders from 2016-17 onwards regularly since the OFC market is picking up. The order booking position is expected to be continuously good. Considering the scope during the immediate future and TCIL's continuous financial support, the accounts have been prepared on going concern basis.

'Other Matter' of the Independent Auditor's Report: The Deferred Tax Asset has not been provided for, in the books of accounts, considering the absence of virtual certainty of earning profit and prudence concept.

The Company has disclosed the facts of non-provisioning for deferred tax assets / liabilities vide Note no. 6(b) under "25 .Notes to Accounts".

Item no (vii)(a) of the Annexure to the Independent Auditor's Report

The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Excise, Duty of Customs, Value added Tax, Cess and other statutory dues with the appropriate authorities during the year as applicable to it except the Property Tax amounting to Rs.40,34,250/- .We are informed by the Company that efforts are made to get exemption being a sick Company. We are also informed that there are no employees who are eligible to be covered under Employees State Insurance scheme.

With reference to clause 11.5.3 of the Sanctioned Scheme issued to the company by BIFR, the company had requested and continuously insisting the concerned authority for waiver of the Property Tax of the past and during the rehabilitation period. No positive reply from the authority is received. However provision has been made in the books of accounts every year and part amount remitted during the year 2014-15. Continuously pursuing for waiver of the balance dues. On waiver, the liability will be reversed accordingly.

Cost Auditors:

As per the provisions of the Companies (Cost Records and Audit) Rules, 2014, the operation of the company is not falling within the scope of cost audit. Hence cost auditor was not appointed from the financial year 2014-15 onwards.

Secretarial Audit Report

Clarification on Secretarial audit observations is given below:

(i) Independent Directors in the Company is below the minimum numbers prescribed under section 149(4) of the Companies Act, 2013.

The Company is Joint sector Govt. Company with 49% of its shares held by TCIL, a Govt. of India Enterprise and 14.63% held by TIDCO, a Govt of Tamilnadu Enterprise. The Board as well as management control of the Company lies with TCIL. Being a Govt. Company, action already taken for induction of Independent Directors in the Board of the Company through TCIL with the Dept. of Telecommunications, Ministry of Telecommunications & IT. The same is being followed up through TCIL for early appointment of Independent Director.

(ii) The Company has not constituted The Nomination and Remuneration Committee as per section 178(1) of the Companies Act, 2013.

Due to Company's sickness, only the BIFR Nominee Director is being paid sitting fees for attending the meetings. Managing Director, being on deputation from TCIL, A Govt. of India Enterprise, his salary is fixed as per TCIL's norms applicable to his cadre. The Directors of TCIL and TIDCO, A Govt. of Tamilnadu Enterprise are also paid salary by their own Organization, applicable as per their cadre in their Organization. Only the travelling expenses and local conveyance for attending the meetings are incurred by the Company. In view of above, no separate Committee was constituted. After appointment of Independent Directors by the Govt., necessary action will be taken for constituting the Committee.

(iii) The Company has not conducted a separate meeting of Independent Directors as per Schedule IV (CODE FOR INDEPENDENT DIRECTORS) of the Companies Act, 2013.

As replied in observation (i) above, since sufficient number of independent Directors were not available, separate meeting could not be held. Case being followed up with the Ministry through TCIL for early appointment of independent Directors in the Board. Meetings shall be conducted after induction of required number of Independent Directors.

Comments of the Comptroller and Auditor General

The Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 for the year ended 31st March 2016 are enclosed as part of the Report.

Acknowledgements

The Directors wish to place on record their sincere appreciation for the encouragement, assistance, support and co-operation given by Government of India, Government of Tamilnadu and the Promoters. The Directors appreciate your whole hearted efforts during the year and solicit your continued support and co-operation. Your Directors acknowledge the continued trust and confidence you have reposed in this company. They also wish to place on record their appreciation for the hard work put in by the employees at all levels.

For and on behalf of the Board

Place : Chennai	V.S.Parameswaran Managing Director	B.Elangovan Director
Date : 29.08.2016	(DIN: 03559930)	(DIN: 00133452)

TAMILNADU TELECOMMUNICATIONS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of particulars as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Measure taken for Energy Conservation:

Maintaining power factor at optimum level, reducing loads whenever the machines are not running, saving light energy etc., had been followed vigorously. However, due to the shortage of power in the state and due to reduction of capacity by the Tamilnadu Electricity Board, the Company has to incur additional cost for usage during peak hours, power cuts etc.,

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are given in prescribed FORM-B as annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports: Initiatives are taken to increase exports, developments of new exports markets for products and services and export plans. Continuous efforts are being made to procure export orders through TCIL as well as directly. A major thrust is being given to tap the export market. However, during the year under review, the export market was not encouraging as expected and there were no exports.

b) Total Foreign Exchange Used and Earned :

(Rs. in Lakhs)

	2015-16	2014-15
Used	24.68	8.79
Earned	2.25	7.61

FORM A

(Form for disclosure of particulars with respect to conservation of energy)

The particulars in respect of conservation of energy in the prescribed form are not applicable to the company and hence it is not furnished.

FORM B

(Form for disclosure of particulars with respect to technology absorption)

A. Research and Development (R&D)

1. Specific Areas in which the company carried out R&D activities

- Completion of the enhanced Quality Control and Production traceability features for compliance to RDSO standards for up-gradation to Part-I Category vendor. RDSO-Lucknow, Ministry of Railways upgraded TTL to Part-I Category for supply of 24F Armoured Cable during November 2015.

2. Benefits derived as a result of the above R&D:

- Became eligible to receive 75% order of the Zonal Railway Tender Quantity being a Part-I Vendor.

3. Future Plan

- Getting TSEC for LSZH Cable for use in Patch Cords and other FTTH applications
- To set up facilities for Patch Cord assembly
- To install facilities for assembly and supply of FTTH Components
- To install facilities for assembly and supply of Tablet PCs

4. Expenditure on R&D (Product Type Approval)

- Expenditure towards the R&D is Rs.13,600/-

B. Technology absorption, adaptation and innovation.

- Commencement of Tablet PC assembly and supply in a commercial way.
- Maintaining the process rejection standards as specified by the Technology partner.
- To retain the zero feed-back status and maintain the good manufacturing standards prevailing.

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L32201TN1988PLC015705
2	Registration Date	13.05.1988
3	Name of the Company	TAMILNADU TELECOMMUNICATIONS LIMITED
4	Category/Sub-category of the Company Indian Non-Government Company	Company Limited by Shares / Indian Government Company
5	Address of the Registered office & Contact Details	No.16, First Floor, Aziz Mulk 3rd street, Thousand Lights, Chennai, Tamil Nadu. Contact details: Tel - 044 28292653, e-mail : ttlcosec@rediffmail.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited UNIT : TTL "Subramanian Building" 5th Floor, No.1, Club House Road, Chennai – 600 002. Email : cameo@cameoindia.com Phone : 044-28460390 Fax : 044-28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Optical Fiber Cables for Telecommunications	3130	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Telecommunications Consultants India Limited, 'TCIL Bhawan', Greater Kailash - I, New Delhi-110048	Holding	49	2(87)(i)

TAMILNADU TELECOMMUNICATIONS LIMITED

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2015]				No. of Shares held at the end of the year [As on 31 March 2016]			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6,684,000	22,383,700	29,067,700	63.63%	6,684,000	22,383,700	29,067,700	63.63%	00.00%
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	6,684,000	22,383,700	29,067,700	63.63%	6,684,000	22,383,700	29,067,700	63.63%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
TOTAL (A)=(A)(1)+(A)(2)	6,684,000	22,383,700	29,067,700	63.63%	6,684,000	22,383,700	29,067,700	63.63%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	2,300	2,300	0.01%	-	2,300	2,300	0.01%	0.00%
b) Banks/ FI	105,200	7,584,100	7,689,300	16.83%	105,200	7,584,100	7,689,300	16.83%	0.00%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	3,280,000	3,280,000	7.18%	-	3,280,000	3,280,000	7.18%	0.00%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	105,200	10,866,400	10,971,600	24.02%	105,200	10,866,400	10,971,600	24.02%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	362715	20,400	383,115	0.84%	221880	20,300	242,180	0.53%	-36.79%
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	0	0	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3225924	1,297,754	4,523,678	9.90%	3283551	1,285,701	4,569,252	10.00%	1.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	588854	20,600	609,454	1.33%	676914	20,600	697,514	1.53%	14.45%
c) Others (specify)									
Non Resident Indians	26486	1,300	27,786	0.06%	25984	1,300	27,284	0.06%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	-	0.00%
Hindu Undivided Families	97,654	3	97,657	0.21%	100,184	3	100,187	0.22%	0.01%
Foreign Nationals	-	-	-	0.00%	0	0	-	0.00%	0.00%
Clearing Members	10	0	10	0.00%	5283	0	5,283	0.01%	0.01%
Trusts	-	-	-	0.00%	0	0	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	0	0	-	0.00%	0.00%
Sub-total (B)(2):-	4,301,643	1,340,057	5,641,700	12.35%	4,313,796	1,327,904	5,641,700	12.35%	0.00%
Total Public (B)	4,406,843	12,206,457	16,613,300	36.37%	4,418,996	12,194,304	16,613,300	36.37%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	11,090,843	34,590,157	45,681,000	100.00%	11,102,996	34,578,004	45,681,000	100.00%	0.00%

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Telecommunications Consultants India Limited	22,383,700	49.00%	-	22,383,700	49.00%	-	0.00%
2	Tamilnadu Industrial Development Corporation Limited	6,684,000	14.63%	-	6,684,000	14.63%	-	0.00%
	Total	29,067,700	63.63%	-	29,067,700	63.63%	-	0.00%

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01.04.2015		29,067,700	63.63%	29,067,700	63.63%
	Changes during the year		No Change	-	-	-	-
	At the end of the year	31.03.2016		29,067,700	63.63%	29,067,700	63.63%

(iv) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	STATE BANK OF INDIA						
	At the beginning of the year	1-Apr-15		4247500	9.2981	4247500	9.2981
	At the end of the Year	31-Mar-16		4247500	9.2981	4247500	9.2981
2	FUJIKURA LTD						
	At the beginning of the year	1-Apr-15		3280000	7.1802	3280000	7.1802
	At the end of the Year	31-Mar-16		3280000	7.1802	3280000	7.1802
3	ANDHRA BANK						
	At the beginning of the year	1-Apr-15		2070600	4.5327	2070600	4.5327
	At the end of the Year	31-Mar-16		2070600	4.5327	2070600	4.5327
4	PUNJAB NATIONAL BANK						
	At the beginning of the year	1-Apr-15		1265200	2.7696	1265200	2.7696
	At the end of the Year	31-Mar-16		1265200	2.7696	1265200	2.7696

TAMILNADU TELECOMMUNICATIONS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (Contd.,)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
5	LIFE INSURANCE CORPORATION OF INDIA						
	At the beginning of the year	1-Apr-15		105200	0.2302	105200	0.2302
	At the end of the Year	31-Mar-16		105200	0.2302	105200	0.2302
6	MASTER CAPITAL SERVICES LTD						
	At the beginning of the year	01-April-15		89258	0.1953	89258	0.1953
		10-April-15	Sale	-5222	0.0114	84036	0.1839
		17-April-15	Sale	-8384	0.0183	75652	0.1656
		24-April-15	Sale	-2204	0.0048	73448	0.1607
		01-May-15	Sale	-509	0.0011	72939	0.1596
		15-May-15	Sale	-1013	0.0022	71926	0.1574
		22-May-15	Sale	-1	0.0000	71925	0.1574
		29-May-15	Sale	-3	0.0000	71922	0.1574
		05-Jun-15	Sale	-4748	0.0103	67174	0.1470
		12-Jun-15	Sale	-1128	0.0024	66046	0.1445
		19-Jun-15	Sale	-4952	0.0108	61094	0.1337
		26-Jun-15	Sale	-17202	0.0376	43892	0.0960
		30-Jun-15	Sale	-9433	0.0206	34459	0.0754
		03-Jul-15	Sale	-8801	0.0192	25658	0.0561
		10-Jul-15	Sale	-25633	0.0561	25	0.0000
		08-Jan-16	Sale	-25	0.0000	0	0.0000
	At the end of the Year	31-Mar-16		0	0.0000	0	0.0000
7	HAVING SAME PAN MASTER CAPITAL SERVICES LTD						
	At the beginning of the year	1-Apr-15		741	0.0016	741	0.0016
		30-Jun-2015	Sale	-412	0.0009	329	0.0007
		04-Sep-2015	Sale	-329	0.0007	0	0.0000
	At the end of the Year	31-Mar-16		0	0.0000	0	0.0000
8	DECENT FINANCIAL SERVICES PVT LTD						
	At the beginning of the year	1-Apr-15		40000	0.0875	40000	0.0875
	At the end of the Year	31-Mar-16		40000	0.0875	40000	0.0875
9	SETU SECURITIES PRIVATE LTD						
	At the beginning of the year	1-Apr-15		37500	0.0820	37500	0.0820
		28-Aug-15	sale	-37500	0.0820	0	0.0000
	At the end of the Year	31-Mar-16		37500	0.0820	37500	0.0820
10	NARAYANAN SRIDARAN						
	At the beginning of the year	1-Apr-15		36051	0.0789	36051	0.0789
		3-Jul-15	Purchase	1000	0.0021	37051	0.0811
		10-Jul-15	Purchase	2949	0.0064	40000	0.0875
	At the end of the Year	31-Mar-16		40000	0.0875	40000	0.0875
11	RITA BOTHRA						
	At the beginning of the year	1-Apr-15		35000	0.0766	35000	0.0766
		04-Dec-15	sale	-35000	0.0766	0	0.0000
	At the end of the Year	31-Mar-16		0	0.0000	0	0.0000

(iv) Shareholding Pattern of top ten Shareholders (Contd.)*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
12	CHETAN RASIKLAL SHAH						
	At the beginning of the year	1-Apr-15		0	0.0000	0	0.0000
		08-Jan-15	Purchase	37500	0.0820	37500	0.0820
	At the end of the Year	31-Mar-16		37500	0.0820	37500	0.0820
13	KETAN CHORARIA						
	At the beginning of the year	1-Apr-15		30000	0.0656	30000	0.0656
	At the end of the Year	31-Mar-16		30000	0.0656	30000	0.0656
14	SHAKUNTLA GUPTAJT1 : K R GUPTA						
	At the beginning of the year	1-Apr-15		28975	0.0634	28975	0.0634
	At the end of the Year	31-Mar-16		28975	0.0634	28975	0.0634

TAMILNADU TELECOMMUNICATIONS LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Rajesh Kapoor						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
2	V.S.Parameswaran						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
3	A.V.V.Krishnan						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
4	B.Elangovan						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
5	B.Ramakrishnan						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
6	M.S.Shanmugam						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
7	Christy Fernandez						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
8	T.S Sivaramakrisnan						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL
9	Ajay Shukla						
	At the beginning of the year	1-Apr-15		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-16		NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<i>Indebtedness at the beginning of the financial year</i>				
i) Principal Amount	11,71,41,018	-	-	11,71,41,018
ii) Interest due but not paid	26,732	-	-	26,732
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11,71,67,750	-	-	11,71,67,750
<i>Change in Indebtedness during the financial year</i>				
* Addition	3,81,58,450	-	-	3,81,58,450
* Reduction	(15,50,760)	-	-	(15,50,760)
Net Change	3,66,07,690	-	-	3,66,07,690
<i>Indebtedness at the end of the financial year</i>				
i) Principal Amount	13,89,01,801	-	-	13,89,01,801
ii) Interest due but not paid	1,48,73,639	-	-	1,48,73,639
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	15,37,75,440	-	-	15,37,75,440

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SI No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount(Rs)
1	Name	V.S. Parameswaran	
	Designation	Managing Director	
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,84,581	27,84,581
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify		
	Total (A)	27,84,581	27,84,581
	Ceiling as per the Act	Rs.42,00,000 (As per Schedule V of Companies Act 2013)	

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount (Rs)
1	<i>Independent Directors</i>		
	<i>Fee for attending board committee meetings</i>	1. Shri N.P. Gupta 2. Shri Christy Fernandz	20,000 20,000
	<i>Commission</i>	—	—
	<i>Others, please specify</i>	—	—
	<i>Total (1)</i>		—
2	<i>Other Non-Executive Directors</i>		—
	<i>Fee for attending board committee meetings</i>	—	—
	<i>Commission</i>	—	—
	<i>Others, please specify</i>	—	—
	<i>Total (2)</i>	—	—
	<i>Total (B)=(1+2)</i>		40,000
	<i>Total Managerial Remuneration</i>	—	—

TAMILNADU TELECOMMUNICATIONS LIMITED

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name	Sh V.Mohan (01.04.2015 to 07.09.2015)	Sh. T.S.Sivarama krishnan (06.08.2015 to 31.03.2016)	
	Designation	GGM(F&A) / CFO	CFO	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,68,232	18,61,316	2,33,103	31,62,651
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	10,68,232	18,61,316	2,33,103	31,62,651

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
	Penalty		NIL		
	Punishment				
	Compounding				
B. DIRECTORS					
	Penalty		NIL		
	Punishment				
	Compounding				
C. OTHER OFFICERS IN DEFAULT					
	Penalty		NIL		
	Punishment				
	Compounding				

Report on Corporate Governance

Introduction

Corporate Governance is an ongoing process that ensures that the Company displays the highest standard of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics, in its dealings. Good Corporate Governance is a critical doctrine to the global economic system, enabling the business to not only effectively and efficiently achieve its corporate objectives but also develop a structure and methodology to sustain in a globally competitive environment.

Company Philosophy

TTL firmly believes that implementation of good Corporate Governance will help the company achieve goals and enhance shareholder value. It has been our endeavor to give importance on ensuring fairness, transparency, accountability and responsibility to shareholders besides implementing practices voluntarily that would give optimum information and benefit to the shareholders and Board of Directors.

The company has complied with the requisite mandatory and certain non-mandatory requirements of the SEBI Listing Regulations, 2015. The company has its internal control system in place. The Company has also adopted Regulation 17(5) of the SEBI Listing Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

The Company has also an Insider Trading Dealing Code in place which complies with SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended.

The Company is managed and controlled by professional Board of Directors comprising of Executive and Non-Executive Independent Directors. Action is being taken for induction of Independent Directors. The composition of the Board of Directors as on 31.03.2016 is as under:

Category	Name of Directors	Designation	No. of Shares in the Company
Promoter - Executive Director	V.S. Parameswaran	Managing Director	Nil
Promoter Non-Executive Directors	Rajesh Kapoor	Director	Nil
	A.V.V Krishnan	Director	Nil
	B.Ramakrishnan	Director	Nil
	M.S Shanmugam	Director	Nil
Non-Executive Independent Directors	B.Elangovan	Director	Nil
	Christy Feranadez (Special Director of BIFR)	Director	Nil

Board Meetings

The Board of Directors met 4 (Four) times during the period 01st April 2015 to 31st March 2016 on the following dates i.e., 29th May 2015, 03rd September 2015, 22nd December 2015 and 22th March 2016.

Attendance of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various companies is as follows:

Name of the Director	Attendance of Particulars		No. of Directorships and Committee Chairmanship / Membership		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanship
V.S. Parameswaran	4	Yes	-	2	-
Vimal Wakhlu (i)	3	Yes	-	-	-
A.K. Gupta (i)	3	No	-	1	-
Rajesh Kapoor	4	Yes	1	-	-
AVV Krishnan (i)	1	No	2	1	-
G.Latha (ii)	-	Yes	-	-	-
M S Shanmugam (ii)	1	No	10#	-	-
B. Elangovan	3	Yes	5##	2	1
B. Ramakrishnan	3	No	9###	2	-
Christy Fernandez (iii)	2	No	3###	-	1
N.P. Gupta (iii)	2	No	-	-	-

- (i) Shri A.V.V. Krishnan GGM(F&A) ,TCIL, has been appointed as Director with effect from 22.03.2016, representing TCIL on the Board of Tamilnadu Telecommunications Limited and Shri A.K. Gupta and Shri Vimal Wakhlu existing Directos, in the Board, have resigned to be the Director on TTL Board.
- (ii) Shri M.S. Shanmugam IAS, Additional Secretary to Govt. of Tamilnadu, Industries Department has been appointed as Director with effect from 22.12.2015, representing TIDCO on the Board of Tamilnadu Telecommunications Limited in place of Smt. G.Latha IAS, ceased to be Director with effect from 22.12.2015.
- (iii) Shri Christy Fernandez IAS (RETD), Special Nominee Director, has been appointed as Director with effect from 20.10.2015, representing BIFR on the Board of Tamilnadu Telecommunications Limited in place of Shri N.P Gupta IAS (RETD), ceased to be Director with effect from 21.09.2015.

Note: In accordance with SEBI Listing Regulations, 2015, Memberships / Chairmanships of only Audit Committee, Shareholders / Investors Grievances Committee of all Public Limited Company had been considered. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in SEBI Listing Regulations, 2015 across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2016 have been made by the Directors.

- # - Includes one Membership in SEZ
 ## - Includes one Private Company
 ### - Includes one Private Company
 #### - Includes four Private Companies

Board Committees' Report

In accordance with SEBI Listing Regulations, 2015 of stock

TAMILNADU TELECOMMUNICATIONS LIMITED

exchanges on Corporate Governance, the following Committees were in operations:

- Audit Committee
- Sub-Committee of the Board for approving quarterly un-audited results
- Shareholders'/ Investors' Grievance Committee

Except Managing Director and the BIFR nominee Director, no remuneration either by way of sitting fees or in any form is paid to other Directors. Only boarding, lodging, travelling and conveyance expenses for attending the meetings are paid to few of the Directors. To the BIFR nominee Director, only sitting fee as approved by the Board and reimbursement of travelling and conveyance expenses are paid. The Managing Director, who is on Deputation from TCIL, is paid salary as applicable for his cadre in his parent organization, TCIL. As such, there has been no need to constitute a Remuneration Committee.

Audit Committee

As per regulation 18 of the SEBI Listing Regulations, 2015 and a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, the Audit Committee has been constituted with the following members:

Shri. Christy Fernandez, Chairman cum Member

Shri. A.V.V Krishnan, Member

Shri. B.Elangovan, Member

Shri Ajay Shukla, Company Secretary of the Company, to act as Secretary of the Committee.

Terms of Reference:

The main functions of the Committee include:-

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with the Management the annual financial statements before submission to the Board, focusing primarily on –
 - Any change in accounting policies and practice
 - Qualifications in the draft Audit Report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Matters required to be included in the Directors Responsibility Statement and the Boards' Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Disclosure of any related party transactions
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Reviewing with the Management, external and internal auditors the adequacy of internal control system
 - Reviewing the adequacy of internal audit functions
 - Reviewing the findings of any internal investigations by the internal auditors into matter

where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

- Reviewing the Cost Audit Report (Not applicable from the financial year 2014-15 onwards)
- Investigating the reasons for substantial defaults, if any, in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism
- To carry out any other functions as may be referred to by the Board or Chairman of the Board from time to time.

Review of Information:-

- a) Management discussion and analysis of financial conditions and results of operations
- b) Statement of significant related party transactions
- c) Management letters / letters of Internal Control weakness issued by the Statutory Auditors / Cost Auditors
- d) Internal Audit Reports relating to Internal Control weakness, and
- e) The appointment, removal and the terms of remuneration of the Chief Internal Auditor.

The Audit Committee met four times during the period from 01st April 2015 to 31st March 2016 on the following dates 29th May 2015, 03th September 2015, 22nd December 2015 and 22th March 2016.

Attendance particulars of each director at the Audit Committee Meeting as on 31.03.2016 as follows:

Name of Members	No. of Meetings			
	Category	Period	Meeting Held	Meeting Attended as per their period
Shri. Christy Fernandez,	Nominee Director (BIFR)	20.10.2015 to 31.03.2016	2	2
Shri N.P.Gupta	Nominee Director (BIFR)	01.04.2015 to 21.09.2015	2	2
Shri. B.Elangovan	Non-Independent Non-Executive	01.04.2015 to 31.03.2016	4	3
Shri. A.V.V Krishnan	Non-Independent Non-Executive	22.03.2016 to 31.03.2016	1	1
Shri. A.K.Gupta	Non-Independent Non-Executive	01.04.2015 to 22.03.2016	3	3

Note:

1. Shri A.V.V. Krishnan GGM (F&A), TCIL, has been appointed as Director with effect from 22.03.2016, representing TCIL on the Board as well as member of Audit Committee of M/s. Tamilnadu Telecommunications Limited in place of Shri A.K. Gupta, Director in the Board, has resigned to be the Director on TTL Board.

2. Shri Christy Fernandez IAS (RETD), Special Nominee Director, has been appointed as Director with effect from 20.10.2015, representing BIFR on the Board of Tamilnadu Telecommunications Limited in place of Shri. N.P. Gupta IAS (RETD) ceased to be Director with effect from 21.09.2015.

Particulars of Managerial Remuneration of Key Management Personnel

(Rs. In Lakhs)

Particulars of Remuneration	2015-16	2014-15
i) Salary and Allowance of Managing Director, CFO and Company Secretary	59.47	42.82

In addition, the Managing Director is allowed the use of car for private purpose to the limits prescribed by the Department of Public Enterprises from time to time.

Stakeholders Relationship Committee

The Board of the Company has constituted a Stakeholders Relationship Committee comprising of the following Directors.

Shri. B.Elangovan, Chairman cum Member
Shri. B.Ramakrishnan, Member
Shri. V.S. Parameswaran, Member

Shri Ajay Shukla Company Secretary of the Company, act as Secretary of the Committee.

Terms of Reference:

The Committee inter-alia approves transfer, transposition, transmission of Shares, issue of duplicate / rematerialized share certificates and review all matters connected with share transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Share Transfer Agents and recommends measures for overall improvement in the quality of investor services.

During the year two complaints were received from the shareholders. Outstanding complaints as on 31.03.2016 were NIL.

Compliance with the Code of Conduct for Board of Directors and Senior Management Personnel

The company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under Regulation 17(5) of the SEBI Listing Regulations, 2015 with the Stock Exchanges, of a Code of Conduct for the Directors and Senior Management Personnel, the company has moved further in its pursuit of excellence in corporate governance.

The Code of Conduct Compliance is monitored through the Compliance Reports received from the Directors and the Senior Management Personnel. It is declared that the Board Members and Senior Management Personnel of the company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct during the financial year ended 31st March 2016.

Corporate Social Responsibility Committee

The Company does not fall under the Sec 135 of the Companies Act, 2013, hence the CSR Committee is not applicable.

General Body Meetings

Location and time of the last three Annual General Meetings

Year	Venue	Held On	Time
2012-13	Shri Venkata Auditorium at Bharatiya Vidya Bhavan, No. 18-22, East Mada Street, (Near Kapaleeswarar temple), Mylapore, Chennai -600004	24.09.2013	2.45 P.M.
2013-14	Russian Centre of Science and Culture, No.74, Kasturi Ranga Road, Alwarpet, Chennai – 600 018	23.09.2014	2.30 P.M.
2014-15	Shri Venkata Auditorium at Bharatiya Vidya Bhavan, No. 18-22, East Mada Street, (Near Kapaleeswarar temple), Mylapore, Chennai -600004	23.09.2015	2.30 P.M.

Special Resolution

Year	AGM/EGM	Passed Under Section(s)
2012-2013	—	Nil
2013-2014	—	Nil
2014-2015	—	Nil

Postal Ballot

No special resolution was put through postal ballot during last 3 years. The provisions relating to postal ballot will be complied as per the provisions of the Companies Act, 2013 as and when situation may arise in future. Similarly, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

Disclosures

Related Party Transactions

Related Party Transactions are defined as transactions of the company of a material nature, with Promoters, Directors or the Management or their relatives etc, which may have potential conflict with the interest of the Company at large.

The company has not entered into any transaction of material nature with the Promoter, Directors or Management, their relatives that may have potential conflict of interest of the Company at large. There are no material transactions with related parties that may have any potential conflict with the interest of the Company at large. There is no pecuniary transaction with the independent / non-executive directors. TCIL, a Govt. of India Enterprise, one of the promoters holding major stake of 49% is financially supporting the Company for raw materials procurement and working capital requirement for the past more than eight years. The transactions are in the ordinary course of business of the Company and on arms length basis, by way of arrangements entered through agreements during the year 2010 with subsequent addendums. The supports are being provided with maximum limit fixed by the Board of TCIL. All transactions covered under related party transactions are detailed under clause 20 of Note 25– Notes to Accounts.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the

TAMILNADU TELECOMMUNICATIONS LIMITED

Stock Exchanges / SEBI and Statutory Authority(ies) on all matters related to the capital market except for Independent Directors. Action has been initiated for induction of Independent Directors in the Board, by approaching the Ministry through TCIL, as per requirement, Once the Independent Directors are appointed by the Ministry, this will be complied. There are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or by any Statutory Authority (ies) relating to the above. However, dematerialization of the shares held by M/s.Telecommunications Consultants India Limited, one of the Promoters, is pending due to the pending listing approval of the additional shares allotted as per the BIFR Sanctioned Scheme, by NSE.

Whistle Blower Policy

The company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, violations of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. It is affirmed that during the Financial Year 2015-16, no employee has been denied access to the Audit Committee.

Risk Assessment and Minimization Procedures

As per regulation of the SEBI Listing Regulations, 2015 the company shall lay down procedures to inform Board of Directors about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Accordingly, a system has been developed and procedures have been laid down, on risk assessment and minimization. The scope of the Audit Committee includes review of company's financial and risk management policies.

Internal Control System

TTL has adequate internal control procedures in respect of all its operations. It has laid down internal control procedures to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly to the Board as per Schedule V of the SEBI Listing Regulations, 2015.

Means of Communication

- The quarterly / half-yearly / annual results have been published in the News Today English Newspaper and Maalai Sudar Tamil Newspaper.
- The Management perspective, Business review and financial highlights are part of the Annual Report
- At present no separate quarterly / half-yearly reports are being sent to investors

Financial Year Calendar (tentative and subject to change)
01.04.2016 to 31.03.2017

First Quarter Ending 30.06.2016	Between 01 st and 14 th August 2016
Second Quarter Ending 30.09.2016	Between 01 st and 14 th November 2016

Third Quarter Ending 31.12.2016	Between 01 st and 14 th February 2017
Audited Yearly Results	Between 15 th May and 30 th May 2017
AGM for 2016-17	During September 2017

No presentation was made to any institutional investors or to any analysts. Quarterly results and official news releases are not displayed in any official website of the company.

Shareholders' Information

A. Annual General Meeting

Date : 27.09.2016
Time : 02.30 P.M
Venue : Shri Venkata Auditorium
Bharatiya Vidya Bhavan,
Mylapore, Chennai – 600 004

B. Book Closure Date : From 21.09.2016 to 27.09.2016

C. Financial Calendar : April 1st to March 31st

D. Dividend : Nil

E. Listing of Shares :

The shares of the company are listed at The Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. For the additional shares allotted to TCIL, SBI, Andhra Bank and PNB as per the Sanctioned Scheme of BIFR during September 2010, BSE has given 'in principle' approval of listing whereas NSE approval is pending, and is in process. Listing fees up to financial year 2014-15 have been paid to the Stock Exchanges mentioned above since the stock exchanges have not considered our request for exemption as per the sanctioned scheme approved by BIFR. Due to the prevailing financial constraints, the annual listing fee of 2015-16 and 2016-17 are not yet remitted.

F. Compliance Certificate of the Practicing Company Secretaries

The Company has annexed to this report, a certificate obtained from the Practicing Company Secretaries regarding compliance of conditions of corporate governance as stipulated in Schedule V of the SEBI Listing Regulations, 2015.

G. Stock Code

Trading symbol on the National Stock Exchange : TNTELE

Trading symbol on the Bombay Stock Exchange : 523419

ISIN Code at NSDL / CDSL : INE141D01018

Stock Market Data:

The monthly high and low share prices of equity shares of the company traded at The Bombay Stock Exchange Limited,

Mumbai and National Stock Exchange of India Limited, Mumbai from April 1, 2015 to March 31, 2016 are given below:

(Prices in Rupees)

Month	National Stock Exchange (2015-16)			Bombay Stock Exchange (2015-16)		
	High	Low	Volume	High	Low	Volume
Apr-15	4.45	3.60	15225	4.86	3.70	11752
May-15	4.25	3.90	332	4.58	3.95	2703
Jun-15	4.05	2.75	19170	4.00	2.73	42664
Jul-15	3.45	2.85	30529	3.44	2.82	84895
Aug-15	3.35	3.00	4406	3.35	2.97	68248
Sep-15	3.35	2.80	8158	3.40	3.01	8553
Oct-15	3.50	3.20	973	3.42	2.94	16218
Nov-15	3.30	2.80	11446	3.56	2.99	15630
Dec-15	3.20	2.70	66687	3.23	2.85	30442
Jan-16	3.50	2.80	14242	3.60	2.90	49411
Feb-16	3.35	2.85	30978	3.32	2.61	21918
Mar-16	3.15	2.65	19097	2.97	2.60	26372

Distribution of Shareholding as at 31st March 2016

No. of shares held	No. of Shareholders	% of Share holding	Share Amount (Rs.)	% of Share holding
Upto 500	18571	92.66	2488895	5.46
501-1000	796	3.97	677012	1.48
1001-2000	348	1.74	545441	1.19
2001-3000	111	0.55	284621	0.62
3001-4000	56	0.28	200202	0.44
4001-5000	44	0.22	203042	0.44
5001-10000	65	0.32	436763	0.96
10001 & above	53	0.26	40845024	89.41
Total	20044	100.00	456810000	100.00

Shareholding Pattern as at 31st March 2016

Category	No. of Shares Held	% of Shareholding
1. Promoters		
i) Telecommunications Consultants India Limited	22383700	49.00
ii) Tamilnadu Industrial Development Corporation Limited	6684000	14.63
2. Foreign Collaborator		
Fujikura Ltd., Japan	3280000	7.18
3. Banks, FIs	7689300	16.84
4. Mutual Funds	2300	0.01
5. Clearing Member	5283	0.01
6. Private Corporate Bodies/Trusts/Partnerships	242180	0.53
7. Indian Public	5366953	11.74
8. NRIs	27284	0.06
Grand Total	45681000	100.00

Shareholders holding more than 1% of the Equity Share Capital

S. No	Name of the Shareholder	No. of Shares	% of Shareholding
1	Telecommunications Consultants India Limited	223,83,700	49.00
2	Tamilnadu Industrial Development Corporation Limited	66,84,000	14.63
3	Fujikura Limited	32,80,000	7.18
4	State Bank of India	42,47,500	9.30
5	Andhra Bank	20,70,600	4.53
6	Punjab National Bank	12,65,200	2.77

Registrar & Share Transfer Agents :

Cameo Corporate Services Limited
UNIT : TTL "Subramanian Building" 5th Floor,
No.1, Club House Road, Chennai – 600 002.
Email : cameo@cameoindia.com
Phone : 044-28460390 Fax : 044-28460129

Share Transfer System:

The company has appointed common Registrar for physical share transfer and dematerialization of shares. The shares lodged for physical transfer / transmission / transposition are registered within a period of 15 days, if the documents are complete in all respects.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity.

- Not applicable -

Further Capital raised During the Year

- Nil-

Dematerialization of Shares:

The shares of the company are traded in physical / dematerialized form by all categories of investors. The company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to establish electronic connectivity of its shares for scrip-less trading. As on 31st March 2016, 24.3 % of total equity capital is held in Electronic form with NSDL & CDSL. Request for dematerialization of shares are processed and confirmed within 21 days of receipt of NSDL and CDSL.

Address for communication :

The shareholders may address their communications / suggestions / grievances / queries to:

Shri AJAY SHUKLA
Company Secretary and Compliance Officer
Tamilnadu Telecommunications Limited, Corporate Office,
E18B-E24, CMDA Industrial Complex,
Maraimalai Nagar – 603 209
Phone: 044-27451095 / 27453881
E-mail ID : ttlcosec@rediffmail.com
Website : www.ttlofc.in

TAMILNADU TELECOMMUNICATIONS LIMITED

Plant Location:

Division	Location
Optical Fibre Cable Plant	Maraimalai Nagar

Insider Trading:

The code of conduct for prevention of Insider Trading as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992 introduced with effect from 25.11.2002 is in force. The Company Secretary has been designated as the Compliance Officer for this purpose. The Board monitors the adherence to the various requirements as set out in the code. No violation of the code has taken place during the year.

Compliance with mandatory requirements and adoption of non-mandatory requirements of under SEBI Listing Regulations, 2015

The Company has complied with the mandatory requirements of the SEBI Listing Regulations 2015. A certificate signed by CEO & CFO of the company was placed before the Board of Directors. The SEBI Listing Regulations, 2015 also requires disclosures of adoption by the company of non-mandatory requirements specified in the said clause, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of non-mandatory requirements is given below:-

a. The Board

There is no policy at present to determine the tenure of Independent Directors. However, as reported, on appointment of required level of Independent Directors by the Ministry, the term shall be fixed as per the provisions of the Companies Act, 2013.

b. Remuneration Committee

Except Managing Director and the BIFR nominee Director, no remuneration either by way of sitting fees or in any form is paid to other Directors. Only boarding, lodging, travelling and conveyance expenses for attending the meetings are paid to few of the Directors. To the BIFR nominee Director, only sitting fee as approved by the Board and reimbursement of travelling and conveyance expenses are paid. As such, there has been no need to constitute a Remuneration Committee. Will be complied on induction of required level of Independent Directors in the Board, by the Ministry.

c. Shareholder's Rights

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the company.

d. Training of Board Members

As the members on the Board are eminent and experienced professional persons, there is no formal policy at present for their training. Will be complied on induction of required level of Independent Directors in the Board, by the Ministry.

e. Mechanism for evaluating non-executive Board members.

The non-executive Board Members are from TCIL / TIDCO / Dept. Of Telecom and their performance is evaluated by the respective Company / Dept. One non-executive Board Member is a Special Director appointed by BIFR. Will be complied on induction of required level of Independent Directors in the Board, by the Ministry.

Declaration by CEO / MD CODE OF CONDUCT

Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

PHILOSOPHY

The TAMILNADU TELECOMMUNICATIONS LIMITED code of conduct, as adopted by the Board of Directors, is applicable to Directors, Senior Management and Employees of the Company. The Code is derived from three inter linked fundamental principles viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers TAMILNADU TELECOMMUNICATIONS LIMITED's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly work place, transparency and audit ability, legal compliance and the philosophy of leading by personal example.

Declaration pursuant to Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

To

The Shareholders of Tamilnadu Telecommunications Limited

We hereby declare that all members of the Board and senior management personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company formulated by the Board of Directors for the financial year ended 31st March 2016.

For Tamilnadu Telecommunications Limited

Place: Chennai
Date: 29.08.2016

(V.S.Pameswaran)
Managing Director
(DIN: 03559930)

CEO / CFO CERTIFICATION UNDER the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, V.S.Parameswaran, Managing Director and T. S. Sivaramakrishnan, General Manager (F&A) certify to the Board that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems

of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (D) We have indicated to the auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year, as Nil;
 - (2) significant changes in accounting policies during the year consequent to the provisions of the Companies Act, 2013 and that the same have been disclosed in the notes to financial statements ; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting, as Nil.

for Tamilnadu Telecommunications Limited

V.S.Parameswaran
Managing Director
(DIN: 03559930)

T.S.Sivaramakrishnan
GM (Finance)

TAMILNADU TELECOMMUNICATIONS LIMITED

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
TAMIL NADU TELECOMMUNICATION LIMITED
CIN: L32201TN1988PLC015705
No.16, First Floor, Aziz Mulk 3rd Street, Thousand Lights,
Chennai – 600006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. TAMIL NADU TELECOMMUNICATION LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **M/s. TAMIL NADU TELECOMMUNICATION LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31.03.2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. TAMIL NADU TELECOMMUNICATION LIMITED** ("the Company") for the financial year ended on **31.03.2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

(v) Other laws as may be applicable specifically to the company - NIL

I have also examined compliance with the applicable clauses/Regulations of the following:

- i). The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited (BSE Ltd);
- ii). The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited (BSE Ltd) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- iii). The Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) Independent Directors in the Company is below the minimum numbers prescribed under section 149(4) of the Companies Act, 2013.
- (ii) The Company has not constituted The Nomination and Remuneration Committee as per section 178(1) of the Companies Act, 2013.
- (iii) The Company has not conducted a separate meeting of Independent Directors as per Schedule IV (CODE FOR INDEPENDENT DIRECTORS) of the Companies act, 2013.

I further report that the Board of Directors of the Company is constituted with Executive Director and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Signature:

Name of Company Secretary in practice/ Firm:

M. Damodaran

Place: Chennai

Date : 21.05.2016

ACS/FCS No. : 5837 C P No. : 5081

CERTIFICATE ON CORPORATE GOVERNANCE**The Members of Tamilnadu Telecommunications Limited**

I have examined the compliance of conditions of Corporate Governance by Tamilnadu Telecommunications Limited ("the Company"), for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement and the corresponding Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedure and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the corresponding Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the following:

1. The Company has not complied with Clause 49 (II) (A) (2) of the Listing Agreement and corresponding Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 in terms of minimum number of Independent Directors in the Board.

2. The Company has not constituted Nomination and Remuneration Committee as per Clause 49 (IV) (A) of the Listing Agreement and corresponding Regulation 19(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Company has not conducted a separate meeting of Independent Directors as per Clause 49 (II) (B) (6) (a) of the Listing Agreement and corresponding Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the information and explanations given to me, the company is taking necessary steps to set right the above said non-compliance. The same is mentioned in the "Report on Corporate Governance" under the head 'Company Philosophy'.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For M.Damodaran & Associates
M. Damodaran
(Practicing Company secretary)
(C.P. No: 5081)

Place : Chennai
Date : 21.05.2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(a) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TAMILNADU TELECOMMUNICATIONS LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Tamilnadu Telecommunications Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 06.06.2016

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the

financial statements of Tamilnadu Telecommunications Limited for the year ended 31 March 2016 and as such have no comments to make under section 143(6)(a) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**

Place : Delhi
Date : 08.08.2016

(P.K.Tiwari)
Director General of Audit (P&T)

TAMILNADU TELECOMMUNICATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

To

The Members of Tamilnadu Telecommunications Limited

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of **Tamilnadu Telecommunications Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

7. Without qualifying our conclusion, we draw, attention to S.No - 3- Note - 25 - Notes to Accounts. As at 31st March 2016, the Company's accumulated losses of Rs. 10,996.11 Lakhs 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.1,595.42 Lakhs for the year under audit. Based on the mitigating factors discussed in the said note, the Management believes that the **Going Concern** assumption is appropriate.

Other Matter

8. The Deferred Tax Asset has not been provided for, in the books of account, considering the absence of virtual certainty of earning profits and prudence concept.

Report on Other Legal and Regulatory Requirements

9. As required by Companies (Auditors Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" the statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable.
10. 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 purpose 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 and the Cash Flow Statement dealt with, by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. **The Going Concern matter, described in paragraph 7 – Emphasis of Matter, as above, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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”.
11. With respect to other matters to be included in the Auditor’s Report in accordance with the 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 litigations on its financial position in its financial statements –Refer S.No.2,10,13,14, and 18 under Note-25 – Notes to Accounts to the financial statements;
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund, by the Company.
12. 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 2015-16 is given in Annexure C to our Report.

For S.VENKATRAM & Co.
Chartered Accountants
(FRN: 004656S)

Place: **Chennai**
Date : **06/06/2016**

R.Kandavelu
Partner
(M.No.12811)

Annexure A

ANNEXURE TO INDEPENDENT AUDITOR’S REPORT

Referred to in **paragraph 9 of our report of even date**

On the basis of checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) In respect of Fixed Assets:
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the Company subject to the details provided in Annexure C to our Report.
- (ii) In respect of Inventories:
- a. As explained to us, the inventory has been physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, investments, guarantees and security to any person attracting the provisions of Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- (vi) The Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the records maintained by the Company pursuant to the rules made under the said section and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) In respect of Statutory Dues:
- a. The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Excise, Duty

TAMILNADU TELECOMMUNICATIONS LIMITED

of Customs, Value added Tax, Cess and other statutory dues with the appropriate authorities during the year as applicable to it except the Property Tax amounting to Rs.40,34,250/-. We are informed by the Company that efforts are made to get exemption being a sick Company. We are also informed that there are no employees who are eligible to be covered under Employees State Insurance scheme.

- b. The details of disputed dues of Sales Tax and Duty of Customs which have not been deposited, as on 31st March 2016 are as given below

S.No	Name of the Statute	Nature of Dues	Amount (in Rs.)	Forum Where pending
1.	Sales Tax	Additional sales Tax	1,86,08,794/-	Honourable High Court of Madras
2.	Sales Tax	Non-Submission of C-forms	22,95,000/-	Commercial Sales tax officer.
3.	Duty of Customs	Difference in classification of Telecommunication Grade Optic Fibre Cables.	31,55,226/-	Commissioner of customs, Chennai

- (viii) The Company has not borrowed any sums from Banks or Financial Institutions or Debenture holders during the year and hence the question of default in repayment of dues to Banks or Financial Institutions or Debenture holders does not arise.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) In our opinion, according to the information provided to us, based on our audit checks and on an overall examination of the books and records of the Company, no fraud on or by the Company has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The said Company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of CARO 2016 are not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The Company, during the year, has not entered into any non-cash transactions with directors or persons connected with him as prescribed under the provisions of section 192 of Companies Act, 2013.
- (xvi) The Company is not a Non-Banking Finance Company. Therefore, the provisions of Clause (xvi) of paragraph 3 of the CARO 2016 are not applicable to the Company.

For S.VENKATRAM & Co.
Chartered Accountants
(FRN: 004656S)

Place: Chennai
Date : 06/06/2016

R.Kandavelu
Partner
(M.No.12811)

Annexure B

Annexure to the Independent Auditor's Report of even date on the Financial Statements of Tamilnadu Telecommunications Limited

Report on the Internal Financial Controls 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, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 (ICAI). 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the

extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgments, 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 Company's internal financial controls system over financial reporting.

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:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) 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

- 3) 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 ICAI.

For S.VENKATRAM & Co.
Chartered Accountants
(FRN: 004656S)

Place: Chennai
Date : 06/06/2016

R.Kandavelu
Partner
(M.No.12811)

TAMILNADU TELECOMMUNICATIONS LIMITED

Annexure C

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 2015-16

1. **Whether the Company has clear title/lease deeds for Freehold and Leasehold respectively? If not, please state the area of Freehold and Leasehold Land for which title/Lease deeds are not available.**

The Company is currently in possession of 9.78 acres of land, out of which 2.42 acres of land acquired from CMDA and 7.36 acres of land acquired from Tamilnadu Government in the year 1998. In respect of CMDA land, Memorandum of Lease cum Sale Agreement has been entered and on completion of payment, the company has executed sale deed and the same in original was surrendered to SBI, which is yet to be returned by SBI inspite of due clearances received from all the banks of the consortium.

Tamilnadu Govt Land of 7.36 acres was delivered to TIDCO by Tamilnadu Govt vide Land Delivery Receipt No.3959/96 and TIDCO vide its letter dated 03.09.1997 addressing TTL transferred the land to TTL. It is stated therein that the transfer of title deed will be completed

on receipt of the cost of land in due course. The cost of land was finally determined by Govt in 2010 and the same was paid. Land Delivery Receipt was issued by the Govt to the Company.

2. **Whether there are any cases of Waiver/ Write-off of debts/loans/interest etc. if yes, the reasons there for and the amount involved.**

There were no cases of waiver/write-off of debts, loans/interest etc. during the year 2015-16.

3. **Whether proper records are maintained for inventories lying with third parties & Assets received as gift/grant(s) from Govt or other authorities.**

There were no inventories lying with third parties and no assets have been received by the company as gift/ grant(s) from Government or other authorities, during the year.

For S.VENKATRAM & Co.
Chartered Accountants
(FRN: 004656S)

R.Kandavelu
Partner
(M.No.12811)

Place: Chennai
Date : 06/06/2016

BALANCE SHEET AS AT 31.03.2016

Amount in Rupees

Particulars	Note No.	As at		As at	
		31st March 2016		31st March 2015	
I. Equity and Liabilities:					
(1) Shareholders' Funds					
(a) Share Capital	2	456,762,000		456,762,000	
(b) Reserves and Surplus	3	(991,800,240)	(535,038,240)	(832,257,621)	(375,495,621)
(2) Non-current liabilities					
(a) Long-term provisions	4	22,700,401	22,700,401	21,746,660	21,746,660
(3) Current liabilities					
(a) Short-term borrowings	5	138,901,801		117,141,019	
(b) Trade payables	6	656,574,033		595,969,831	
(c) Other current liabilities	7	41,344,743		25,418,350	
(d) Short-term provisions	8	14,216,605	851,037,182	17,857,154	756,386,354
TOTAL			338,699,343		402,637,393
II. ASSETS:					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	9	97,797,142		100,888,761	
(ii) Capital Work in progress		-	97,797,142	-	100,888,761
(b) Long-term loans and advances	10	890,617		1,221,152	
			890,617		1,221,152
(2) Current assets					
(a) Inventories	11	35,772,198		77,869,094	
(b) Trade receivables	12	120,642,486		135,958,850	
(c) Cash and cash equivalents	13	2,070,645		1,563,298	
(d) Short-term loans and advances	14	10,549,476		14,159,109	
(e) Other current assets	15	70,976,779	240,011,584	70,977,129	300,527,480
TOTAL			338,699,343		402,637,393
Statement of Significant Accounting Policies 1					
Notes on Financial Statement 2 to 25					

As per our Report of even date

For S.Venkatram & Co
Chartered Accountants
Firm Regn No. 004656S

R.Kandavelu
Partner
M.No.12811
Place : Chennai
Date : 06.06.2016

For Tamilnadu Telecommunications Limited

T. S. Sivaramakrishnan
GM (Finance)

V.S.Parameswaran
Managing Director

B.Elangovan
Director

TAMILNADU TELECOMMUNICATIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

Amount in Rupees

Particulars	Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Revenue from operations	16	47,080,041	156,866,496
Less: Excise Duty		5,223,400	15,387,170
		41,856,641	141,479,326
II. Other income	17	88,965	63,288,323
III. Total Revenue (I+II)		41,945,606	204,767,649
IV. Expenses:			
Cost of materials consumed	18	24,397,649	107,404,994
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	20,701,561	37,101,021
Employee benefits expense	20	42,490,984	43,675,038
Finance Costs	21	81,585,577	77,854,405
Depreciation and amortisation expense	22	3,164,091	3,089,741
Other expenses	23	24,487,050	21,407,061
Provision for Doubtful Debts/Advances		4,539,979	-
Total expenses		201,366,891	290,532,260
V. Profit before exceptional and extraordinary items and tax (III-IV)		(159,421,285)	(85,764,611)
VI. Exceptional items	24	121,334	(15,560)
VII. Profit before extraordinary items and tax (V-VI)		(159,542,619)	(85,749,051)
VIII. Extraordinary items			
IX. Profit before tax (VII-VIII)		(159,542,619)	(85,749,051)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit/(Loss) for the period from continuing operations (VII - VIII-X)		(159,542,619)	(85,749,051)
XII. Profit/(Loss) from discontinuing operations			
XIII. Profit/(Loss) for the period (XI + XII)		(159,542,619)	(85,749,051)
XIV. Earnings per equity share:			
(1) Basic		(3.49)	(1.88)
(2) Diluted		(3.49)	(1.88)
Statement of Significant Accounting Policies	1		
Notes on Financial Statement	2 to 25		

As per our Report of even date

For S.Venkatram & Co
Chartered Accountants
Firm Regn No. 004656S

For Tamilnadu Telecommunications Limited

R.Kandavelu
Partner
M.No.12811
Place : Chennai
Date : 06.06.2016

T. S. Sivaramakrishnan
GM (Finance)

V.S.Parameswaran
Managing Director

B.Elangovan
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

PURSUANT TO REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(Amounts in Rupees)

Sl. No.	DESCRIPTION	for the year ended 31st March 2016	for the year ended 31st March 2015
A.	Cash Flow from Operating Activities:		
	Net Profit / (Loss) before tax	(159,542,619)	(85,749,051)
	Adjustments for		
	Add:		
	- Depreciation	3,164,091	3,089,740
	- Interest & Finance Charges	81,585,577	77,854,405
	- Extra ordinary item	-	-
	- Exceptional items	74,046	(45,942)
	- Exchange Rate Fluctuations - Loss / (Gain)	561,338	1,136,428
	- Loss /(profit) on sale/Writeoff fixed assets	47,288	30,382
		(74,110,279)	(3,684,038)
	Less:		
	- Interest/Dividend Received	88,965	86,036
	Operating Profit before Working Capital changes	(74,199,244)	(3,770,074)
	Adjustments for - Trade & Other Receivables	18,926,347	(64,907,098)
	- Inventories	42,096,896	38,172,643
	- Trade Payables and other liabilities	25,446,839	107,332,000
	Cash generated from Operations	12,270,838	76,827,471
	Income Tax	-	-
	Cash Flow after tax before extraordinary items	12,270,838	76,827,471
	Exceptional items	(74,046)	45,942
	Exchange Rate Fluctuations - (Loss) / Gain	(561,338)	(1,136,428)
	extra ordinary item	-	-
	Net Cash from Operating Activities- A	11,635,454	75,736,985
B.	Cash Flow from Investing Activities:		
	Purchase of Non-Current Assets	(133,310)	(527,114)
	Capital work in progress		
	Sale of Non-Current Assets	13,550	8,800
	Interest/Dividend Received	88,965	86,036
	Net Cash from /(used) in Investment Activities -B	(30,795)	(432,278)
C.	Cash Flow from Financing Activities:		
	Increase / (Repayment) of Long Term Borrowings	1,284,276	3,903,755
	Interest charges	(12,381,588)	(77,747,621)
	Net Cash used in Financing Activities-C	(11,097,312)	(73,843,866)
D.	Net (decrease)/Increase in Cash Equivalents (A+B+C)	507,347	1,460,841
E.	Cash & Cash Equivalents as at 1st April, 2015 (Opening Balance)	1,563,298	102,457
F.	Cash & Cash Equivalents as at 31st March 2016 (Closing Balance)	2,070,645	1,563,298

T. S. Sivaramkrishnan
GM (Finance)V. S. Parameswaran
Managing DirectorB. Elangovan
Director**For S.Venkatram & Co**
Chartered Accountants
Firm Regn No. 004656S**R.Kandavelu**
Partner
M.No.12811Place: Chennai
Date : 06.06.2016

TAMILNADU TELECOMMUNICATIONS LIMITED

Note 1

Statement of Significant Accounting Policies

I Significant Accounting Policies

1. Basis of Preparation of Financial Statements

Accounts are drawn up on the principle of going concern concept with revenues recognized and expenses accounted on accrual basis and in accordance with the generally accepted accounting principles and standards and in accordance with the provisions of Companies Act, 2013 (to the extent notified) and the provisions of Companies Act, 1956 (to the extent applicable).

2. Fixed Assets and Depreciation

- a. Fixed Assets are stated at historical cost (net of CENVAT) including applicable taxes, duties, adjustments arising from exchange rate variations and other identifiable direct expenses and interest upto the date of installation. The cost of assets not put to use, before the year end are disclosed under Capital Work-in-progress.
- b. Depreciation on Fixed Assets is provided in accordance with the useful lives as specified in Schedule II of the Companies Act, 2013, on straight line method, up to the cost of the asset (net of residual value). Residual Value is considered at 5% of cost of assets.
- c. Depreciation on fixed assets added or deleted during the year is provided from or till the date of such addition or deletion.

3. Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are translated at the year end rates.
- c. Any Income or Expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss.
- d. The gain or loss on account of Foreign exchange rate fluctuation includes such gain / loss passed on by TCIL on imports procured by it on behalf of TTL as per extant MOUs.

4. Valuation of Inventory

- a. Raw materials : at weighted average cost
- b. Work-in-progress : at cost up to the stage of completion or realizable value whichever is lower
- c. Finished Goods : at cost or net realizable value whichever is lower
- d. Scrap : at net realizable value
- e. Stores, Tools & Spares : at cost

5. Revenue Recognition

- a. **Sales** : Sale is recognized on despatch of goods to customers upon inspection and clearance by the clients. Export sales on FOB basis are recognized upon despatch and that of CIF basis upon acceptance of goods by clients. Sales shown in the Statement of Profit and Loss exclude Excise Duty and Sales Tax.
- b. Other Income and Expenses: On Accrual Basis.

6. **Excise Duty** : Excise Duty payment is accounted on the basis of payment made in respect of goods cleared and necessary provision is made for the excise duty on finished goods, if any at the factory at the year end.

7. Deferred Revenue Expenditure

- a. As per the policy of the company, the preliminary and share issue expenses are being amortized over a period of ten years.
- b. Expenses incurred towards Employees' Voluntary Separation Scheme (VSS) are being amortized over a period of five years.

8. Employees' Retirement Benefits:

i) Short-term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

ii) Post –Employment benefit Plans: Upto the year 2008-09 the Company has set up separate Trust for Provident Fund and has been contributing towards the same. Contribution towards pension fund is made to PF authorities on monthly basis. From 01.04.2009 onwards based on the order of the Provident Fund Commissioner-I, withdrawing the relaxation under Para 79 of the Employees' Provident Fund Scheme 1952, the Provident Fund contributions are remitted to the PF authorities.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. For the employees who had already left like VSS optees etc., the gratuity and leave encashment is provided on actual basis.

9. Provision for Warranty Period Expenses

Provision is made for warranty period expenses at a percentage on net turnover of the year, arrived at based on actual warranty period expenses incurred compared with the average net turnover of the previous three financial years.

10. Taxes on Income

- a) Taxation comprises of Current Tax and Deferred Tax charge or credit
- b) Provision for Current Taxes is as per the provisions of Tax Laws prevailing in India
- c) Deferred Tax charge or credit for the deferred tax assets / liabilities are accounted considering reasonable / virtual certainty of the company making taxable income in the near future.

11. Contingent Liabilities

Contingent Liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

12. Borrowing Costs

Borrowing costs (which are not attributable to be acquisition and construction of the qualifying asset) are being recognized as an expense in the period in which they are incurred.

13. Accounting for Leases

The lease agreement entered with the lessors are for monthly rental hiring basis of Office accommodation for a period of 11 months and with subsequent renewal clause on mutual agreement. The lease agreement also can be cancelled by either party on giving notice at any time with in a prescribed time limit. The lease does not transfer all the risks and rewards incidental to ownership. There is no provision to acquire title to the asset upon fulfillment of the agreed conditions. The monthly lease rents are being recognized as an expense in the period in which they are incurred.

14. Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

TAMILNADU TELECOMMUNICATIONS LIMITED

Amount in Rupees

	As at 31st March 2016	As at 31st March 2015
I. Notes to Equity and Liabilities		
(1) Shareholders' Funds:		
Note 2		
Share Capital		
(a) Authorized: 50000000 Equity Shares of Rs.10 each (previous year 50000000 Equity Shares of Rs.10 each)	500,000,000	500,000,000
(b) Shares Issued, Subscribed & Fully paid up and Subscribed & not fully paid up		
(i) Issued: 45681000 Equity Shares of Rs.10 each (previous year 45681000 Equity Shares of Rs.10 each)	456,810,000	456,810,000
(ii) Subscribed & Fully paid up: 45671400 Equity Shares of Rs.10 each (previous year 45671400 Equity Shares of Rs.10 each)	456,714,000	456,714,000
(iii) Subscribed & not fully paid up: 9600 Equity Shares of Rs.10 each (previous year 9600 Equity Shares of Rs.10 each)	96,000	96,000
Less: Allotment money unpaid -others - 9600 Equity Shares of Rs. 5 each (previous year 9600 Equity Shares of Rs. 5 each)	(48,000)	(48,000)
	48,000	48,000
Subscribed & paid up	456,762,000	456,762,000
(c) Par value per share	10	10
(d) Reconciliation of the number of shares outstanding:		
Number of shares outstanding as on 01.04.2015	45,681,000	45,681,000
Number of shares outstanding as on 31.03.2016	45,681,000	45,681,000
(e) Rights, preferences and restrictions attached to shares: Equity Shares: The company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after settlement to Secured Lenders/ Creditors, in proportion to their shareholding.		
(f) Shares held by Holding Company:(by virtue of Section 2(87) of the Companies Act, 2013) 22383700 Equity Shares of Rs.10 each (49%) held by Telecommunications Consultants India Limited (One of the Promoters)	223,837,000	223,837,000

Amount in Rupees

					As at 31st March 2016	As at 31st March 2015	
(g) Details of Share holders holding more than 5% of shares: Equity Shares of Rs. 10 each:							
S.No	Name of Share Holder	31st March 2016		31st March 2015			
		Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding		
(i)	Telecommunications Consultants India Ltd(TCIL)	22,383,700	49%	22,383,700	49%		
(ii)	Tamilnadu Industrial Development Corporation Ltd(TIDCO)	6,684,000	14.63%	6,684,000	14.63%		
(iii)	State Bank of India(SBI)	4,247,500	9.30%	4,247,500	9.30%		
(iv)	Fujikura Limited, Japan	3,280,000	7.18%	3,280,000	7.18%		
(h) Calls unpaid:							
=> By Directors							-
=> By Officers							-
Note 3							
Reserves and Surplus							
(a) Securities Premium Account:							
Balance at the beginning of the year					9,840,000	9,840,000	
Add: Premium on shares issued during the year					-	-	
					9,840,000	9,840,000	
Less: Utilised during the year					-	-	
					9,840,000	9,840,000	
(b) Other Reserves:							
Capital Restructuring Reserve:							
Balance at the beginning of the year					97,971,057	97,971,057	
Add: Additions / transfers during the year					-	-	
					97,971,057	97,971,057	
Less: Utilisations / transfers during the year					-	-	
					97,971,057	97,971,057	
(c) Surplus in Statement of Profit and Loss:							
Statement of Profit & Loss:							
Balance at the beginning of the year					(940,068,678)	(853,096,915)	
Less: Carrying amount of assets less residual value of assets whose remaining useful life has become 'Nil'					-	(1,222,712)	
Add: Profit /(Loss) during the year					(159,542,619)	(85,749,051)	
					(1,099,611,297)	(940,068,678)	
TOTAL					(991,800,240)	(832,257,621)	

TAMILNADU TELECOMMUNICATIONS LIMITED

Amount in Rupees

	As at 31st March 2016	As at 31st March 2015
(2) Non-current liabilities		
Note 4		
Long Term Provisions		
(a) Provision for employee benefits	22,700,401	21,746,660
	22,700,401	21,746,660
(3) Current Liabilities		
Note 5		
Short term borrowings		
(a) Loans and Advances from Related Parties:		
(Secured against all the fixed assets as well as current assets of the Company as at present existing and to be acquired in future)		
(i) Bridge loan from TCIL *	116,573,000	116,573,000
* Bridge loan is short term loan provided by TCIL as per the Sanctioned Scheme of BIFR which has to be repaid by arrangement through banks as early as possible. The rate of interest is SBI Base rate + 3.5% p.a (till 31.12.2015) and SBI Base rate +2.5% p.a (from 01.01.2016)		
(ii) Working capital support from TCIL (Net) **	22,328,801	568,019
** Working capital support provided by TCIL are being adjusted against the realisation on revolving basis. The rate of interest is SBI Base rate + 3.5% p.a (till 31.12.2015), and SBI Base rate + 2.5% p.a (from 01.01.2016)		
	138,901,801	117,141,019
Note 6		
Trade Payables		
(i) Sundry creditors:		
(a) Dues to Micro, Small & Medium Enterprises		
Unsecured:		
(b) Dues other than Micro, Small & Medium Enterprises	32,542,733	33,714,843
(Old dues spread over a period of time. As per the Sanctioned Scheme of BIFR these dues to be settled in a phased manner on improvement of funds status)		
Secured:		
(c) Raw materials support from TCIL (Net)	624,031,300	562,254,988
(secured against all the fixed assets as well as current assets of the Company as at present existing and to be acquired in future)		
	656,574,033	595,969,831

Amount in Rupees

	As at 31st March 2016	As at 31st March 2015
Note 7		
Other Current Liabilities		
(a) Interest accrued and due on borrowings from TCIL (Related Party)	14,873,639	26,732
(b) statutory dues payable	4,531,594	3,822,358
(c) other payable:		
Unsecured:		
(i) Royalty & Technical Know how fee payable (Net of Recoverable) to Fujikura Ltd, Japan (Related Party)	19,095,090	18,724,840
(ii) Others: Earnest Money Deposit, Security Deposits etc.,	2,844,420	2,844,420
	41,344,743	25,418,350
Note 8		
Short term provisions		
(a) Provision for employee benefits	8,300,528	8,051,157
(b) Others :		
(i) Provision for warranty period expenses *		
Balance at the beginning of the year	3,435,118	3,315,114
Add : Addition during the year	791,099	3,435,118
	4,226,217	6,750,232
Less : Reversal during the year	3,435,118	3,315,114
Balance at the end of the year	791,099	3,435,118
* The Company has recognised liability based on substantial degree of estimation and past experience.		
(ii) Provision for other expenses	5,124,978	6,370,879
	14,216,605	17,857,154

II. Notes to Assets

(1) Non-current Assets

Amount in Rupees

Note 9

Fixed Assets	GROSS						DEPRECIATION						Net Carrying Value	
	Balance as on 01.04.2015	Additions	Disposals	Acquisitions through Business Combination	other adjustments	Balance as on 31.03.2016	Opening Depreciation/ Amortization	Depreciation/ Amortization for the period	Adjustment to Retained earnings (P&L)	Depreciation/ withdrawn-sales/scrapping	Impairment loss/ Reversal of impairment loss for the period	Closing Depreciation	31.03.2016	31.03.2015
Tangible Assets														
Land:														
CMDA Land	13,915,905	-	-	-	-	13,915,905	-	-	-	-	-	-	13,915,905	13,915,905
Government of Tamilnadu Land	28,097,686	-	-	-	-	28,097,686	-	-	-	-	-	-	28,097,686	28,097,686
Buildings	33,749,471	45,319	-	-	-	33,794,790	17,112,253	1,102,438	-	-	-	18,214,691	15,580,099	16,637,218
Plant & Equipments	321,081,645	87,991	76,446	-	-	321,093,190	279,826,005	1,846,683	-	15,608	-	281,657,080	39,436,110	41,255,640
Furniture & Fixtures	780,158	-	-	-	-	780,158	733,962	9,180	-	-	-	743,142	37,016	46,196
Vehicles	1,274,123	-	-	-	-	1,274,123	426,968	173,339	-	-	-	600,307	673,816	847,155
Office Equipments	427,429	-	-	-	-	427,429	378,151	17,918	-	-	-	396,069	31,360	49,278
Others - EDP Equipments	445,952	-	-	-	-	445,952	406,269	14,533	-	-	-	420,802	25,150	39,683
Total	399,772,369	133,310	76,446	-	-	399,829,233	298,883,608	3,164,091	-	15,608	-	302,032,091	97,797,142	100,888,761
Previous Year	399,812,547	527,114	46,292	-	(521,000)	399,772,369	295,099,266	3,089,740	1,222,712	(528,110)	-	298,883,608	100,888,761	104,713,281

Amount in Rupees

	As at 31st March 2016	As at 31st March 2015
Note 10		
Long Term Loans & Advances		
(a) Security Deposits - Unsecured, considered good	890,617	1,221,152
(b) Other Loans & Advances:		
(i) Prepaid expenses - Unsecured, considered good	-	-
	890,617	1,221,152
(2) Current assets		
Note 11		
Inventories		
(a) Raw-Materials (valued at weighted average cost)	14,760,302	30,439,522
(b) Work-in-Progress (at cost upto the stage of completion or realizable value whichever is lower)	19,547,146	45,795,316
(c) Stores and Spares (valued at cost)	1,429,417	1,507,248
(d) Others - Scrap (at net realizable value)	35,333	127,008
	35,772,198	77,869,094
Note 12		
Trade Receivables		
(a) Unsecured - Considered good:		
(i) Receivables outstanding for a period exceeding six months	119,556,336	117,419,558
(ii) Receivables - Others	1,086,150	18,539,292
	120,642,486	135,958,850
(b) Doubtful	47,994,251	43,461,937
Less: Allowances for bad and doubtful debts	(47,994,251)	(43,461,937)
	120,642,486	135,958,850
Note 13		
Cash and Cash Equivalents		
(a) Balances with Banks		
(i) Balance in Current Accounts with Banks	2,060,468	1,539,280
(ii) Margin Money	-	-
	2,060,468	1,539,280
(b) Cheques, drafts on hand	-	-
(c) Cash-on-hand	8,747	24,018
(d) Others	1,430	-
	2,070,645	1,563,298
Note 14		
Short-Term Loans & Advances		
(a) Others		
(i) Prepaid expenses - Unsecured, considered good	86,610	128,327
(ii) Balance with Central Excise Department - Unsecured, considered good	7,929,033	10,853,247
(iii) Tax Deducted at Source receivable	496,002	589,115
(iv) Others- Unsecured, considered good	2,037,831	2,588,420
	10,549,476	14,159,109
Note 15		
Other Current Assets		
(i) Interest accrued on Investments	2,800	3,150
(ii) Export Incentive Receivables	-	-
(iii) Claims recoverable - Customs	1,003,385	1,003,385
(iv) Deposit against Sales Tax case	7,500,000	7,500,000
(v) Insurance claims receivable	62,470,594	62,470,594
	70,976,779	70,977,129

TAMILNADU TELECOMMUNICATIONS LIMITED

Amount in Rupees

	For the year ended 31st March 2016	For the year ended 31st March 2015
Notes to Statement of Profit & Loss		
Note 16		
Revenue from Operations		
(a) Sale of Products	46,675,261	156,677,814
(b) Other Operating Revenues	404,780	188,682
Less: Excise Duties	5,223,400	15,387,170
	41,856,641	141,479,326
Particulars of Sale of Products:		
Sale of Tablet PC		1,046,338
Sale of Cables - Exports	-	155,631,476
Sale of Cables - Domestic	46,675,261	188,682
Sale of Scrap	404,780	156,866,496
Gross Sales	47,080,041	156,866,496
Less: Excise Duty including Cess	5,223,400	15,387,170
Sales (Net)	41,856,641	141,479,326
Note 17		
Other Income		
(a) Interest income (other than a finance company)	88,965	86,036
(b) Other non-operating income (net of expenses directly attributable to the income)		
(i) Insurance Claims	-	62,470,594
(ii) Miscellaneous income	-	29,510
(iii) Freight reimbursement claimed (Net of expenditure Rs. Nil)	-	702,183
	88,965	63,288,323
Expenses		
Note 18		
Cost of materials consumed	24,397,649	107,404,994
2015-16	2014-15	
(a) Fiber	5,326,165	25,798,539
(b) FRP	787,159	3,982,046
(c) Nylon 12	-	418,695
(d) HDPE	8,820,205	35,301,680
(e) Steel Tapes	2,176,018	3,065,552
(f) Others	7,288,102	38,838,482
Total	24,397,649	107,404,994

Amount in Rupees

	For the year ended 31st March 2016	For the year ended 31st March 2015
Note 19		
Changes in Inventories of finished goods, work-in-progress and stock-in-trade		
(a) Opening Stock:		
Work in progress	45,795,316	82,896,337
(b) Closing Stock:		
Work in progress	25,093,755	45,795,316
Decrease / (Increase) in inventories of finished goods, work-in-progress and stock-in-trade	20,701,561	37,101,021
Note 20		
Employee benefits expense		
(a) Salaries and Wages	32,985,726	35,311,031
(b) Contribution to Provident & Other Funds	6,690,889	5,491,612
(c) Staff Welfare expenses	2,814,369	2,872,395
	42,490,984	43,675,038
Note 21		
Finance Costs		
(a) Interest Expense		
(i) Interest on term loans - Bridge loan from TCIL	14,906,533	15,737,355
(b) Other borrowing Costs		
(i) On Raw materials / working capital support by TCIL	66,679,044	62,117,050
	81,585,577	77,854,405
Note 22		
Depreciation and Amortisation expense		
(a) Depreciation	3,164,091	3,089,741
(b) Amortisation - (VSS expenses)	-	
	3,164,091	3,089,741

TAMILNADU TELECOMMUNICATIONS LIMITED

Amount in Rupees

	For the year ended 31st March 2016	For the year ended 31st March 2015
Note 23		
Other Expenses		
(a) Consumption of Stores & Spares	37,394	287,185
(b) Power & Fuel	4,349,168	8,406,624
(c) Rent	100,740	90,805
(d) Repairs to Building	16,944	(75)
(e) Repairs to Machinery	658,013	639,602
(f) Insurance	236,312	118,710
(g) Rates & Taxes (excluding income tax)	810,977	977,961
(h) Miscellaneous Expenditure		
(i) Printing & Stationery	246,010	362,078
(ii) Postal & Telecommunications	230,915	272,810
(iii) Travelling & conveyance	359,971	670,381
(iv) Repairs & Maintenance - Others	163,295	268,740
(v) Machinery Hiring Charges	216,693	150,000
(vi) Advertisement other than publicity	55,217	132,119
(vii) Upkeep charges	692,152	783,732
(viii) Professional and Consultancy Charges	758,626	678,547
(ix) Security Charges	702,038	612,123
(x) Product Type Approval Charges	13,600	901,236
(xi) Entertainment & Business Promotion Expenses	223,233	643,411
(xii) AGM expenses - printing, postage, auditorium rent etc.,	884,667	829,314
(xiii) Staff Training Expenses	780,647	1,168,166
(xiv) Listing fee to Stock Exchanges	320,000	247,192
(xv) PF administration and inspection charges	345,121	304,397
(xvi) Freight & insurance charges (Net of reimbursement Rs. 13,88,717)	197,737	-
(xvii) Selling Expenses	195,112	827,092
(xviii) Provision for warranty expenses	(2,644,019)	120,004
(xix) Board Meeting Expenses (Travelling)	273,193	314,008
(xx) Annual Custodial fee to Depositories	161,163	127,506
(xxi) Loss on Slow moving stock	13,217,843	-
(xxii) Other miscellaneous expenses	177,950	216,347
Sub-Total of Miscellaneous Expenditure	17,571,164	9,629,203
(i) Net loss on foreign currency transaction and translation (other than considered as finance costs)	561,338	1,136,428
(j) Payment to Auditors		
(i) As Auditor	100,000	100,000
(ii) For Other Services (Limited Review)	45,000	20,618
Sub-Total of Payment to Auditors	145,000	120,618
Total of Other expense (a to j)	24,487,050	21,407,061

Amount in Rupees

	For the year ended 31st March 2016	For the year ended 31st March 2015
Note 24		
Exceptional Items:		
(n) Prior period items (Net)		
Prior period income:		
(i) Other Income	(1,225)	(29)
	(1,225)	(29)
Prior period expenses:		
(i) Materials consumed	63	209,198
(ii) Employee benefits expense	49,293	(100,336)
(iii) Finance Costs	-	-
(iv) Other Expenses	23,465	(154,775)
	72,821	(45,913)
Prior period (income) / expense (Net)	74,046	(45,942)
(o) Loss on sale of Fixed Assets	47,288	30,382
Total of Exceptional Items	121,334	(15,560)

Note 25**Notes to Accounts :**

- 1 The Company is having a system of sending letters to the Debtors for confirming the balance as at the year end 31st March. However the balances of debtors, creditors, loans and advances (other than Telecommunications Consultants India Limited (TCIL)) are subject to confirmation.
- 2
 - a. No provision is made for one long pending debtor Rs. 33,950,521 (previous year Rs. 33,950,521) in view of the arbitration proceeding completed against the Purchaser for which the Award is received in favour of the Company but has since been challenged by the Purchaser in the court. Further the court remitted back the case to the Arbitrator for speaking orders which also has been awarded in favour of the Company after arguments, cross examinations and written submissions, during the year. The purchaser has again appealed in the Court.
 - b. No provision is made for Rs. 1,339,656 (previous year 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.
- 3 After restructuring as per the Sanctioned Scheme of BIFR during 2010-11, the net worth of the Company was positive during 2010-11. However during the year 2011-12 the net worth has again eroded. The Company is already under rehabilitation period as per the BIFR Sanctioned Scheme. Lack of executable orders and dull phase of Optical Fiber Cable (OFC) market from the year 2010-11 onwards is the reason for the poor performance. During the year 2012-13 the Company had received order from BSNL for supply of 3206 KMs of OFC valuing Rs.159,701,104 and successfully executed the order in time and got 50% add-on order of 1602 KMs and executed during 2013-14 valuing Rs.79,800,740. These two were the only major orders executed during these two years. Bharat Broadband Network Limited (BBNL), the Special Purpose Vehicle of the Government, had floated the tender towards the National Optic Fiber Network (NOFN) project to connect all the villages by broad band. The date of tender opening was 08.05.2013. Though the initial projection was 600000 KMs, the tender called for is to cover 404995 KMs under six packages based on geographical location. For this huge quantum, BBNL has fixed the delivery time frame of eight months only including initial two months for preliminary arrangements. The Company has participated in one package considering its production capacity to cover the quantum in the given short delivery period. The Company has received APO and given acceptance during February, 2014 for 5800 KMs including accessories. The Value of the APO is Rs. 319,044,437. BBNL has proposed to issue PO in two phases of 50% each. During April,2014, BBNL has issued the first 50% PO for 2900 KMs including accessories valuing Rs. 159,527,319. Delivery period was upto October, 2014. BBNL has issued the consignee details in full periodically for four months consignments of 1740 KMs only. For fifth month consignment, consignee details were provided for only 48 KMs out of 580 KMs. Hence consignee details are not provided for balance around 1112 KMs. BBNL has extended the delivery schedule by another six months beyond October,2014. Hence the supply of balance around 1112 KMs and

TAMILNADU TELECOMMUNICATIONS LIMITED

second 50% PO for 2900 KMs was anticipated during 2015-16 for execution. However, BBNL did not decide on the consignees and no supply could, therefore, be made in 2015-16 also. The Company has participated in the tender floated by BSNL for supply of 24,000 KMs of 24F HDPE DS OFC. The technical bid opened and the company has been technically qualified. Financial bid opened on 21.5.2015 which was followed by e reverse auction but TTL could not compete in the e-reverse auction. The requirement of OFC in the country is huge; however the delay in procurement is due to various procedural matters / issues in execution of big projects by the Government Clients. The Company is hoping to get continuous orders since the OFC market is picking up. The order booking position is expected to improve. Considering the scope during the immediate future and TCIL's and TIDCO's financial support, the accounts have been prepared on going concern basis.

- 4 Land: The Company is in possession of free hold land from Chennai Metropolitan Development Authority (CMDA) and the Tamilnadu State Government measuring around 9.82 acres. In case of CMDA land the land can be sold to other third parties only after getting No Objection Certificate (NOC) from CMDA. In the case of Tamilnadu State Government land it is to be utilized for the purpose for which it is allotted and surplus land if any, has to be surrendered.
- 5 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

A) Defined contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	Amount in Rs.	
	2015-16	2014-15
Employer's Contribution to Provident Fund	20,62,241	20,05,562
Employer's Contribution to Pension Scheme	10,17,567	788,511

Upto the year 2008-09 the Company has set up separate Trust for Provident Fund and has been contributing towards the same. In view of the fact that the Company is industrially sick as declared by BIFR and its net worth has fully eroded, the Provident Fund Commissioner-I has withdrawn with effect from 01.04.2009 the relaxation order issued under Para 79 of the Employees' Provident Fund Scheme 1952, with a direction to remit the whole cash balance to Employees' Provident Fund (EPF) Account No.1 and the balance available in Special Deposit Account to Central Board of Trustees, Employees' Provident Fund. During the year the Company has followed the directions of the Provident Fund Commissioner-I and remitted the monthly contributions to the concerned Regional Provident Fund Commissioner.

B) Defined Benefit Plan

Gratuity (Un Funded) :

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

The following table set out the status of the gratuity plan as required under AS 15

a) Change in benefit obligations:

Particulars	Amount in Rs.	
	Gratuity Plan 2015-16	Gratuity Plan 2014-15
Projected benefit obligation, beginning of the year	15,048,035	12,350,496
Service Cost	2,879,764	735,120
Interest cost	1,203,843	988,040
Actuarial (gain)/loss	(472,526)	974,379
Benefits paid-		
Projected benefit obligation, end of the year	18,659,116	15,048,035

- b) Change in plan assets – Unfunded
c) Reconciliation of present value of the obligation :

Amount in Rs.

Particulars	2015-16	2014-15
Fair value of plan assets at the end of the year	Unfunded	Unfunded
Present value of the defined benefit obligations at the end of the period	18,659,116	15,048,035
Liability recognized in the balance sheet	18,659,116	15,048,035

- d) Gratuity cost for the year ended March 31, 2016

Amount in Rs.

Particulars	Gratuity Plan 2015-16	Gratuity Plan 2014-15
Service cost	2,879,764	735,120
Interest cost	1,203,843	988,040
Expected return on plan assets	-	988,040
Actuarial (gain)/loss	(472,526)	1,962,419
Net cost	3,611,081	2,697,539
Actual return on plan assets	Nil	Nil
Particulars	2015-16	2014-15
Discount rate	8.00%	8.00%
Salary escalation rate	4.00%	4.00%
Estimated rate of return on plan assets	Nil	Nil

Note: The estimates of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is based on the valuation certified by the actuary.

- C) Leave encashment : The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 240 days. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuations.
- 6 a) Current Tax: No provision for income tax is made in view of the current year loss and the accumulated losses of previous years available for set off.
- b) Deferred tax: 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 in terms of para 26 of AS-22.

The treatment noted above is in accordance with the Accounting Standard 22 "Taxes on Income" notified under Section 133 of the companies Act, 2013.

- 7 Work-in-Progress under Inventories as on 31.03.2016 includes realizable scrap comprising short length cables, quality defects cables, excess production cables for operational reasons, type approval cables and disputed returned cables. The above items are saleable with further processing and re-testing to the same or other customers. Due provision is made in respect of non moving/ slow moving WIP inventories wherever necessary.
- 8 a) The Componentization of Fixed Assets have already been done at the time of capitalization of Fixed Assets. Further Componentization of Fixed Assets, at present is not technically felt appropriate by the Company.

TAMILNADU TELECOMMUNICATIONS LIMITED

- b) As stipulated in AS – 28, the company is of the view that assets employed in continuing business are capable of generating adequate returns over their useful life in the usual course of business. There is no indication to the company of impairment of any asset and accordingly the Management is of the view that no impairment provision is called for during the year.
9. The Company had undertaken on test basis during 2012-13, a new venture of assembling and supply of Tablet PCs to one of the promoters, Telecommunications Consultants India Limited (TCIL), towards TCIL's CSR Project of supplying 150 nos. of Tablet PCs to 10 State Government Schools in Vellore district of Tamilnadu. The project was successfully executed during 2012-13. No further business on this front, during the year 2015-16.

10 CONTINGENT LIABILITIES

- (a) Claims against the company not acknowledged as debt:
- (i) Commercial Tax Department had demanded a sum of Rs.18,608,794 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.7,500,000 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 judgement is in favour of the assessee.
- (ii) 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.
- (iii) The Customs Authority has demanded an amount of Rs. 3,155,226 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.
- (b) Guarantees: Guarantees arranged by TCIL in favour of the Company and issued by Banks outstanding as at March 31, 2016 is Rs. 74,454,691 including expired Bank Guarantees to the extent of Rs. 8,863,891. (previous year Rs. 108,494,216 including expired Bank Guarantees to the extent of Rs. 11,717,894)

11 Commitments

- (a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for during the year is Rs. 'Nil' (previous year Rs. 'Nil')
- (b) Uncalled liability on shares and other investments which are partly paid up during the year is Rs.'Nil' (previous year Rs.'Nil')
- 12 The Company has no long term operating lease. No financial lease has been availed during the year
- 13 A demand was raised by Income Tax Department towards tax to be deducted at source on Royalty amounting to Rs.2,542,165 (for the years 2000-01 & 2001-02). The company, has however, paid the entire amount of demand, out of which Rs. 2,193,733 is kept as recoverable. Appeal filed by the company for the above is pending in the Tribunal.
- 14 A writ petition has been filed by the Company in Madras High Court during the year 2008 against BSNL for reducing the awarded rate during the scheduled delivery period, in one of their orders without giving effect to BSNL's amendment to the 'Fall clause' applicable from 01.08.2005. BSNL has rejected and returned the differential claim invoice of the company for Rs.13,991,251. The case is pending in Madras High Court.
- 15 Figures of previous year have been regrouped / rearranged, wherever necessary, to conform to the current year's classification.
- 16 Earnings per share:

Particulars	2015-16	2014-15
Net Profit / (Loss) after tax as per the Statement of Profit & Loss (Rs.)	(159,542,619)	(85,749,051)
Weighted average number of equity shares used as denominator for calculating EPS	45,676,200	45,676,200
Basic and diluted earnings per share (Rs.)	(3.49)	(1.88)
Face value per equity share (Rs.)	10	10

- 17 There was a fire incident in the store yard of the factory on 12.01.2015 and most of the WIP inventories, part of external portion of factory building, minor part of Plant & machinery including electrical installations got damaged. Insurance claims lodged with the Insurer. The total insurance claim lodged for Rs.74,723,904. Out of this, the cost of damaged WIP inventories excluding excise duty and salvage value Rs.62,386,677 and reimbursement of actual expenditures incurred during the fire incident Rs. 83,917 only have been accounted as insurance claims receivable under 'Other Current Assets' with credit to 'Other Income' during the year ended 31st March 2015. The corresponding stock value of the damaged WIP reduced from the WIP inventories. For other claims, the same shall be accounted as per expenditure incurred / insurance claims settled. The claim amount being huge, the insurance claim settlement process takes time. The insurance company has conveyed on 14th May 2016 its admittance of the claim for reduced amount of Rs.6.50 crores.
- 18 a) A civil suit has been filed by the company in Delhi High court on 31.03.2011 to stay the Advance Purchase Order issued by BSNL, HQ for supply of 42000 KMs of OFC. This is in addition to the purchase order issued during January, 2011 for supply of 18000 KMs. The order for OFC supply is with Nylon 12 jacketing and subsequently BSNL has changed the specification with HDPE Double sheathing. During the year 2011-12 BSNL has floated tender for 42000 KMs with the new specification. The case in Delhi High Court against the APO is in progress.
- b) The Company has invoked Arbitration Clause during the year 2014-15 in respect of BSNL's short closure of the PO for supply of 18000 kms and arbitration proceedings are in progress.
- 19 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act could not be ascertained
- 20 Related Party Disclosures : Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are as given below:

List of Related Parties:

Associate Companies

1. Fujikura Ltd., Japan, Technical Collaborator & Equity Partner
2. Telecommunications Consultants India Ltd., New Delhi, Equity Partner

Key Managerial Personnel

1. Shri.V.S.Pameswaran, Managing Director
2. Shri. V.Mohan, GGM(F) till 7.9.2015
3. Shri.T.S Sivaramakrishnan, General Manager (F&A) from 6.8.2015
4. Shri. Ajay Shukla, Company Secretary from 26.6.2015

a. Transaction with Related Parties :

Amount in Rs.

Name of the Transaction	Associate Companies				Key Management Personnel	
	M/s. Fujikura Ltd. Japan		M/s. TCIL, New Delhi		2015-16	2014-15
	2015-16	2014-15	2015-16	2014-15		
01. Sale of Cable / Tablet PC and training	-	-	-	1,046,338	-	-
02. Purchase of Raw Material / Capital Goods	-	-	7,407,883	109,610,467	-	-
03. Managerial Remuneration	-	-	-	-	5,947,232	4,282,446
04. Outstanding Balances including supply credits As on 31 st March	19,090,430	18,724,840*	646,399,200	563,666,474	-	-
05. Secured Loans as on 31 st March	-	-	131,455,264	116,745,464	-	-

* Movement in balance includes exchange rate fluctuation

TAMILNADU TELECOMMUNICATIONS LIMITED

22 Segment Reporting:

Amount in Rs.

Sl.No	PARTICULARS	2015-16	2014-15
1	Segment Revenue (Net Revenue)		
	(a) OFC	41,856,641	141,479,326
	(b) Revenue from Tablet PC	-	-
	Total	41,856,641	141,479,326
	Less: Inter Segment Revenue	-	-
	Net Revenue	41,856,641	141,479,326
2	Segment Results : Unallocated	(159,542,619)	(85,749,051)
3	Capital Employed:		
	(Segment Assets – Segment Liabilities)		
	(a) OFC	(513,796,270)	(355,537,927)
	(b) Tablet PC	567,814	567,814
	Total	(513,228,456)	(354,970,113)

23 Particulars of Imports, Consumption etc.,

a) Value of imports during the year - CIF Basis

Amount in Rs.

Item	2015-16	2014-15
I. Raw Materials	1,433,012	542,504
II. Components and spare parts	-	366,359
TOTAL	1,433,012	908,863

b) Expenditure in foreign currency during the year (on payment basis)

Amount in Rs.

Item	2015-16	2014-15
I. Raw materials and spares	2,468,073	879,322

c) Consumption of imported and indigenous raw materials, spare parts and components

Amount in Rs.

Item	2015-16		2014-15	
	Value	% to total consumption	Value	% to total consumption
I. Direct Imports:				
a) Raw materials	1,489,087	6.09	575,993	0.54
b) spare parts and components	-	-	154,075	-
II. Imports through TCIL:				
a) Raw materials	4,797,309	19.63	32,169,886	29.87
b) spare parts and components	-	-	-	-
III. Indigenous:				
a) Raw materials	18,111,253	74.12	74,505,040	69.18
b) spare parts and components*	37,394	0.15	287,185	0.27
TOTAL	24,435,043	100	107,692,179	100

* spare parts and components of Rs.37,394/- is debited in other expenses.

d) Amount remitted in foreign currency during the year Amount in Rs.

Item	2015-16	2014-15
I. Dividends:		
(a) Amount of dividend remitted	-	-
(b) No. of Non-resident share holders	-	-
(c) Total number of shares held by the NRIs on which dividend is due	-	-
(d) Year to which the dividend is related	-	-

e) Earnings in Foreign exchange (on realisation basis) Amount in Rs.

Item	2015-16	2014-15
I. Export of goods - FOB Basis	224,804	760,973

f) Dividends proposed to be distributed Amount in Rs.

Item	2015-16	2014-15
I. Equity Shares:		
(a) Proposed amount per share	-	-
(b) Period to which the dividend is related	-	-

g) Raw Materials Consumed Amount in Rs.

Item	UOM	2015-16		2014-15	
		Quantity	Value	Quantity	Value
Fiber	KM	12814	5,326,165	72705	25,798,539
FRP	KM	591	787,159	4509	3,982,046
Nylon 12	Kgs		-	601	418,695
HDPE	Kgs	81260	8,820,205	282300	35,301,680
Steel Tapes	Kgs	15036	2,176,018	21379	3,065,552
Others			7,288,102		38,838,482
TOTAL			24,397,649		107,404,994

h) Amount payable / receivable in Foreign Currency (unhedged) on account of the following :

Particulars	As on 31.03.2016		As on 31.03.2015	
	Amount in Rs.	Foreign Currency	Amount in Rs.	Foreign Currency
Import creditors / Technology transfer fee	12,721,507	USD 191,690.00	12,011,775	USD 191,690.00
Import creditors through TCIL	-	-	-	-
Export Debtors	2,613,090	USD 39,374.51	2,684,212	USD 42,836.01

As per our Report of even date

For S.Venkatram & Co
Chartered Accountants
Firm Regn No. 004656S

R.Kandavelu
Partner
M.No.12811
Place : Chennai
Date : 06.06.2016

For Tamilnadu Telecommunications Limited

T. S. Sivaramakrishnan
GM (Finance)

V.S.Pameswaran
Managing Director

B.Elangovan
Director

TAMILNADU TELECOMMUNICATIONS LIMITED

Registered Office: No.16, 1st Floor, Aziz Mulk 3rd Street, Thousand Lights, Chennai -600 006
CIN :L32201TN1988PLC015705, Telefax:044-28292653, Website : www.ttlofc.in

ATTENDANCE SLIP

Name of the Member :

Name of the Proxy if attending on behalf of the member.....

I hereby record my presence at the 28th Annual General Meeting of the Company to be held on Tuesday, the 27th day of September 2016 at 2.30 p.m. at Shri Venkata Auditorium at Bharatiya Vidya Bhavan No.18-22 East Mada Street, (Near Kapaleeswarar temple), Mylapore, Chennai – 600004.

Ledger Folio No.	
DP ID*	
Client ID*	
No. of Shares	

* Applicable for members holding shares in dematerialised form.

.....
Member's / Proxy Signature
(To be signed at the time of handing over the slip)

TAMILNADU TELECOMMUNICATIONS LIMITED

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L32201TN1988PLC015705

Name of the company: TAMILNADU TELECOMMUNICATIONS LIMITED

Registered Office: No.16, 1st Floor, Aziz Mulk 3rd Street, Thousand Lights, Chennai - 600 006

Name of the members (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being member(s) of.....shares of the above named company, hereby appoint

1. Name:..... Address:..... E-mail Id: Signature:, or failing him	2. Name:..... Address:..... E-mail Id: Signature:, or failing him	3. Name:..... Address:..... E-mail Id: Signature:, or failing him
---	---	---

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28th Annual General Meeting of the company, to be held on Tuesday, the 27th day of September 2016 at 2.30 p.m. at Shri Venkata Auditorium at Bharatiya Vidya Bhavan No.18-22 East Mada Street, (Near Kapaleeswarar temple), Mylapore, Chennai – 600004 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolution	For	Against
1.	Adoption of Accounts for the Financial Year ended 31 st March, 2016, Directors' and Auditors' Report		
2.	Re-appointment of Director, Shri. Rajesh Kapoor retiring by rotation		
3.	Re-appointment of Director, Shri. B. Ramakrishnan retiring by rotation		

Affix
Revenue
Stamp

Signed this.....day of.....2016.

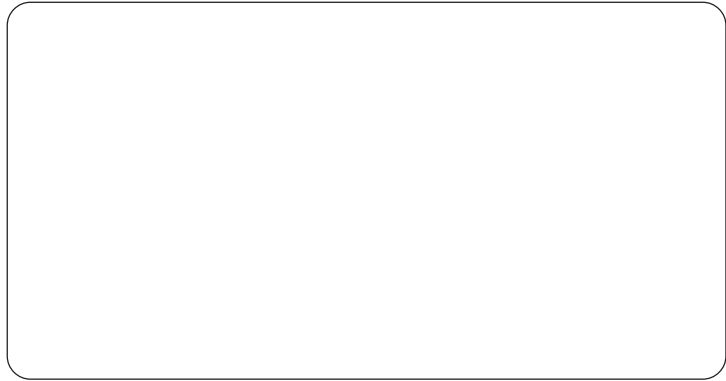
Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hrs before the commencement of the Meeting.

Registered Book Post / Courier

To

A large, empty rounded rectangular box with a thin black border, intended for the recipient's name and address.

If undelivered please return to :
TAMILNADU TELECOMMUNICATIONS LTD.,
No.16, 1st Floor, Aziz Mulk 3rd Street,
Thousand Lights, Chennai - 600 006.