

**Tamilnadu
Telecommunications
Limited**

29th Annual Report
2016-17

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Board of Directors	Shri. Rajesh Kapoor	(DIN:06370394)	- Director
	Shri. R. Devakumar	(DIN:07687666)	- Managing Director
	Shri. A.V.V.Krishnan	(DIN: 06404202)	- Director
	Shri.B.Elangovan	(DIN:00133452)	- Director
	Shri.B.Ramakrishnan	(DIN:00182214)	- Director
	Shri. M.S.Shanmugam	(DIN: 02475286)	- Director

Company Secretary	:	Shri Ajay Shukla
Chief Financial Officer	:	Shri.J. Ramesh Kannan
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.

TAMILNADU TELECOMMUNICATIONS LIMITED

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Tamilnadu Telecommunications Limited is scheduled to be held at 10.15 AM on Friday, 22nd September 2017 in the Mylapore Fine Arts Club, 45 Musiri Subramaniam Road, 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 2017 including the Audited Balance Sheet as at 31st March 2017, 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. B. Elangovan (DIN 00133452), who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Shri. M.S.Shanmugam (DIN 02475286), who retires by rotation and being eligible, offers himself for re-appointment.

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

Place: Chennai
Date: 11.08.2017

R.Deva Kumar
Managing Director
(DIN 07687666)

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 16.09.2017 to 22.09.2017 (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.
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.
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 2016-17 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 2016-17 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. Members are requested to:
 - i. intimate to the Company's Registrar and Transfer Agents, M/s. Cameo Corporate services Limited at Subramaniam Building, No.1, Club House Road,

TAMILNADU TELECOMMUNICATIONS LIMITED

Chennai-600002, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;

- ii. intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form;
 - iii. quote their folio numbers/Client ID/DP ID in all correspondence;
 - iv. Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
12. 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 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.
13. Shri. M. Damodaran (Membership No. 5837) 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.B.Elangovan, aged 52 years has been in the Board of the Company since December 2008. He is a Master Degree holder in Mechanical Engineering and has rich technical experience. He holds NIL shares in TTL. The details of Directorships / Committee Membership in other companies.

Name of the Companies	Nature of Interest
ARKONAM CASTINGS AND FORGINGS LIMITED	Director
SOUTHERN PETROCHEMICAL INDUSTRIES LIMITED	Director
JAYAMKONDAM LIGNITE POWER CORPORATION LIMITED	Director
TAMILNADU TRADE PROMOTION ORGANISATION	Director
IT EXPRESSWAY LIMITED	Director
TIDEL PARK COIMBATORE LIMITED	Director
TIDEL PARK LIMITED	Managing Director
TAMIL NADU ROAD DEVELOPMENT COMPANY LIMITED	Director

02. Shri.M.S Shanmugam (IAS), aged 51 years has been in the Board of the Company since December 2015.

He is an Additional Secretary to Government of Industries department as Director /member in Public Sector undertaking /Board /Society and other Organisation. The details of Directorships / Committee Membership in other companies.

Name of the Companies	Nature of Interest
SOUTHERN PETROCHEMICAL INDUSTRIES LIMITED	Director
ELECTRONIC CORPORATION OF TAMILNADU LIMITED	Director
TAMILNADU TRANSMISSION CORPORATION LIMITED	Director
TIDEL PARK COIMBATORE LIMITED	Director
TICEL BIO PARK LIMITED	Director
TAMILNADU WATER INVESTMENT COMPANY LIMITED	Director
TIDEL PARK LIMITED	Director
CHENNAI ENVIRONMENTAL MANAGEMENT COMPANY OF TANNERS	Additional Director
MADRAS EXPORT PROCESSING ZONE -SEZ	Member (Unit Approval Committee)
TAMILNADU ROAD INFRASTRUCTURE DEVELOPMENT CORPORAION	Director
BIOTECH PARK FOR WOMAN SOCIETY	Director

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

In case of members receiving e-mail:

- (i) The voting period begins on 18th September 2017 at 11.00 am and ends on 21st September 2017 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 15th September 2017, 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).

(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 Ninth Annual Report, together with the Audited Accounts of the Company for the year ended 31st March 2017.

Financial Results

(Rs. in Lakhs)

	2016-17	2015-16
Revenue from operations	267.01	470.80
Other Income (Net)	0.79	0.89
Total Revenue	267.80	471.69
Total Expenditure	991.65	1195.25
Finance Charges	776.72	815.86
Extraordinary / Exceptional items	47.41	0.47
Gross Profit / (Loss) after interest before Depreciation & Tax	(1,547.98)	(1,539.89)
Depreciation and Amortization Expense	31.41	31.64
Provision for Taxation / Deferred Tax	-	-
Net Profit / (Loss)	(1,579.39)	(1,571.53)
Other Comprehensive Income / (Loss): Item that will not be reclassified to Profit and Loss	(47.48)	(9.53)
Total Comprehensive Income / (Loss) for the Period	(1,626.87)	(1,581.06)

The net loss after Tax is Rs. (1,626.87) lakhs against net loss of Rs. (1,581.06) lakhs made during the previous year.

Review of Operations

During the year under review, the company's sales and other income was Rs.267.80 lakhs. The entire revenue is achieved from the Optical Fiber Unit. Overall the market condition of OFC was not encouraging during this year also and the order booking status was not as expected.

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 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. Your Company is looking forward for getting better improvements in the diversification front in future.

There are huge requirement of OFC in the country. Hence the company is hopeful of improvement in OFC market conditions. 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/NCLT through the Monitoring Agency. Once the decision of lead promoter TCIL/DOT is conveyed.

Market Scenario and Outlook

The demand for optical fiber is growing in a rapid scale due to development of infrastructure in smart city project and digital India promoted by Govt. of India.

The Smart City Mission (SCM) of the Govt. of India plans to accommodate the massive urbanization that is expected in the future-modernising the existing mid-sized cities. According to former president of India Shri.APJ. Abdul Kalam, 400 million fiber KM infrastructures is required in order to realize the dream of digital India.

As per Government initiative for smart cities development of trunk and internal infrastructure for 100 smart cities is planned which would require a large amount of requirement of optical fiber for seamless secure connectivity. The fiber optic network will run as a metro loop around the city and wireless access to the underlying fiber network will be provided by WiFi / RF Mesh/ Cellular/ Mobile technologies.

Also the Government initiatives a proposal to connect all Gram Panchayats with Optical fibre and the demand

for fiber is increasing day by day. Around 205 KMs each Gram Panchayat in the Country will be connected through optical fiber cable (OFC).

Electricity Companies also extensively use optical fiber cables for monitoring and control purposes. Some of the companies like Sterlite Technologies and ZTT have invested in setting up production of OPGW manufacturing assembly cable which has bigger potential and demand in Indian market.

The optic fiber industry at home is also poised for a period of significant growth and the demand is expected to surpass the current manufacturing facility in the months to come. This favorable 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 manufacturer of optical cable, 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.

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 fiber 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. B. Elangovan (DIN 00133452) and Shri.M.S. Shanmugam (DIN 02475286) 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 –

- a) In the preparation of the annual accounts the applicable accounting standards had been followed.
- b) 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 2017, and the loss of the Company for the year ended on that date.
- c) 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.
- d) 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.
- e) They have laid down internal financial control to be followed by the company and that such internal financial control is adequate and was operating effectively.
- f) They have devised proper system to ensure compliance with all provision of all applicable laws and that systems were adequate and operating effectively.

TAMILNADU TELECOMMUNICATIONS LIMITED

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 as to form part of the 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 as to form part of the Report.

Clarification on Practicing Company Secretaries observations is given below:

- (i) **Due to non appointment of Independent Directors, the Company has not complied with Regulations 17(1) (b), 18 (1) and 25 (3) 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, Constitution of Audit Committee and conducting a separate meeting of Independent Directors respectively.**

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 has already been taken for induction of Independent Directors in the Board of the Company through TCIL with the Dept. of Telecommunications and Ministry of Telecommunications & IT and the same are being followed up through TCIL for early appointment to comply regulation 17(1) (b). Constitution of Audit Committee as per 18 (1) of SEBI LODR and separate Independent Directors Meeting as per 25 (3) of SEBI LODR shall be conducted after appointment of required number of Independent Directors by the Ministry of Telecommunications and IT.

- (ii) **The Company has not constituted Nomination and Remuneration Committee as per 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 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 conducted only 3 Board Meetings and 3 Audit Committee Meetings instead of 4 meetings in a calendar year 2016 against the regulation 17(2) and 18 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 respectively.**

The company conducted only 3 (Three) Board Meeting and Audit Committee Meeting in the year 2016 and the fourth meeting was conducted on 18th January 2017 which should have been conducted before 31st December 2016. This happened due to retirement / change in the positions of Key managerial Personnel (KMP) Like Company Managing Director and Chief Financial Officer.

- (iv) **The Company has not complied with Regulation 17(1) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of having woman director in the Board.**

The Company is Joint sector Govt. Company as mentioned as replied at (i) above, action already taken for induction of Woman 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 woman Director.

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.V.S.Parameswaran on superannuation has resigned from the post of MD on 30.11.2016 and Shri.R.Deva Kumar deputed by promoter company TCIL has been appointed as Managing Director with effect from 01.12.2016.
- (ii) Shri Christy Fernandez IAS (RETD), Special Nominee Director, has resigned as Special Nominee Director on 01.12.2016 representing BIFR on the Board of Tamilnadu Telecommunications Limited.
- (iii) Shri T.S Sivaramakrisnan on superannuation has resigned from the post of CFO on 30.12.2016 and Shri.J.Ramesh Kannan, Joint General Manager (Finance & Accounts) deputed by promoter company TCIL has been appointed as CFO from 31.12.2016.

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 number of permanent employees as on 31.03.2017 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. The license is valid up 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 2016-17 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:

Basis for Qualified Opinion

- a) ***The Company has not recognised the following financial liability/asset at Fair Value in terms of IndAS 109 (including comparative figures as of 31st March 2016 and 1st April 2015):***
 - i) ***Amounts due to: Fujikura Limited amounting to Rs. 1,89,45,590; and***
 - ii) ***Trade Receivables (considered good) amounting to Rs.7,43,11,691.***

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and

TAMILNADU TELECOMMUNICATIONS LIMITED

give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its Loss (financial performance including other comprehensive income), Cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Without qualifying our conclusion in respect of this matter, we draw attention to :

- a) S. No 3–Note–27–Notes to Accounts. As at 31st March 2017, the Company's accumulated losses of Rs. 117,76,41,518 (including a loss of Rs.16,26,87,588 for the year under audit) 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. Based on the mitigating factors and events occurring after the reporting period as detailed in the said note, the Management believes that the Going Concern assumption is appropriate.
- b) S.No 21–Note–27–Notes to Accounts . The Company has not restated the amounts due to its holding company viz.,Telecommunications Consultants India Limited amounting to Rs.83,99,90,817 at Fair value, but retained the same at its book value.
- c) Considering the present inability of the Company to repay its debts, the Bridge Loan and the Working Capital Support received from Telecommunications Consultants India Limited amounting to Rs. 11,65,73,000 and Rs. 6,19,50,290 respectively, should be treated as a Long Term Financial Liability in the books of the Company and not as a Short term Borrowings.

Company's Reply to para 11 a) regarding preparation of accounts based on going concern concept.

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 2017-18 regularly since the OFC market has picked up and presently the company has Rupees Six crores value of orders in hand to be executed in 2017-18. The order booking position is expected to be continuously good. Considering the scope expected during the immediate future and with the TCIL financial support, the accounts have been prepared on Going Concern Basis.

Company's Reply to para 9 a) (i) (ii), 10, 11 (b) and (c) regarding retaining certain financial liability/ asset at book value , instead of at fair value.

In the para 9a (i) and (ii), 11 (b) and (c) of independent auditor's report, it is qualified/emphasised that the specified financial assets and financial liabilities are not complied in terms of Ind As 109 by not measuring at its fair value plus or minus transaction cost that are directly attributable to the said assets / liability.

As mentioned in our financials, TTL is regularly borrowing from the holding company TCIL for its raw material support and working capital support for running day to day operations. The balances of current liabilities and trade payable pertaining to related party / the holding company TCIL as on 31/03/2017 are given below:

- (i) Current liabilities – short term borrowing
 - (a) Bridge Loan : Rs. 11,65,73,000
 - (b) Working capital support loan : Rs. 6,19,50,290
- (ii) Trade payable – Sundry creditors for raw material support : Rs. 63,28,93,871
- (iii) Other current liabilities – interest accrued : Rs. 2,85,73,657

Amounts due to Fujikura Limited amounting to Rs. 1,89,45,590;

Trade Receivables (considered good) amounting to Rs.7,43,11,691.

This is to state that the above items are reviewed and monitored on day to day basis in both TTL and TCIL. The balances are periodically reconciled with TCIL and also approved by board of directors of TTL.

The company's operations are dependent only on the related party TCIL's funding which is being done on monthly basis for its working capital support and raw material support as and when required.

It may not be out of place to mention that all the realizations from TTL clients are routed through Escrow account which is auto credited to TCIL's Account for which standing instructions were given to bank. Moreover, charge has been created in favour of TCIL against fixed assets and current assets of TTL for all the TCIL loans, advances and liabilities towards raw material supply. The loans are repayable on demand basis.

Ind AS 109 requires all financial assets/liabilities to be recognised initially at fair value and subsequently at amortised cost it satisfies the criteria with reference

to Ind As 32 Para 11 and para 4.2.1 of Ind As 109. Since these financial assets/liabilities are current in nature, there is immaterial finance cost/income involved, therefore, as a general practice demand deposits are carried at cost and not at fair value/ amortised cost.

In view of the commitment to pay to TCIL, the holding company / related party on demand basis and the company is taking a conservative approach, management assume book value of current liabilities as a amortised cost i.e instead to book a profit by discounting a liabilities the company prefers to go and disclose liabilities with full amount under law of prudence.

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 for the financial year 2016-17.

Secretarial Audit Report

Clarification on Secretarial audit observations is given below:

- (i) **Due to non appointment of Independent Directors, the Company has not complied with Section 149(4), 177(1) and Schedule IV of the Companies Act, 2013 in terms of minimum number of Independent Directors in the Board, Constitution of Audit Committee and conducting a separate meeting of Independent Directors respectively.**

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 has already been taken for induction of Independent Directors in the Board of the Company through TCIL with the Dept. of Telecommunications and Ministry of Telecommunications & IT and the same are being followed up through TCIL for early appointment to comply minimum number of Independent director as per sec 149(4), Constitution of Audit Committee as per section 177(1) and separate Independent Directors Meeting as per schedule IV shall be conducted after appointment of required number of Independent Directors by the Ministry of Telecommunications and IT.

- (ii) **Due to non appointment of Independent Directors, the Company has not complied requirement of constitution Nomination and Remuneration Committee as per sec 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 conducted only 3 Board Meetings and 3 Audit Committee Meetings instead of 4 meetings in a calendar year 2016 against the sec 173 of the Companies Act ,2013 and 18 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 respectively.**

The company conducted only 3 (Three) Board Meeting and Audit Committee Meeting in the year 2016 and the fourth meeting was conducted on 18th January 2017 which should have been conducted before 31st December 2016. This happened due to retirement / change in the positions of Key managerial Personnel (KMP) Like Company Managing Director and Chief Financial Officer.

- (iv) **The Company has not complied with Section 149(1) of the Companies Act, 2013 in terms of having woman director in the Board.**

The Company is Joint sector Govt. Company as mentioned as replied at (i) above, action already taken for induction of Woman 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 woman Director.

- (v) **The Company has not complied the Regulation 29 read with Regulation 33 of SEBI**

TAMILNADU TELECOMMUNICATIONS LIMITED

(Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of financial results.

The Board has assured to comply with these regulations in future.

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 2017 are enclosed as part of the Report.

The Company has not disclosed the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as stipulated in Ministry of Corporate Affairs (MCA) Notification dated 30 March 2017. Further, the statement of Statutory Auditors in point no. 14(h) (iv) of their Report that the company has disclosed in its IND AS financial statements the details of the Specified Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 and they are in accordance with the books of accounts maintained by the company is not factual in view of the above.

Company's Reply : Specified Bank Notes are being maintained in the books of accounts (i.e) cash book, on the daily basis. Separate statement was prepared for disclosure in the notes to accounts providing transactions during demonetization period from 8th November 2016 to 30th December 2016. It was inadvertently omitted. The company has undertaken to carry out the inclusion of this statement while printing the annual report and accordingly hereby disclosed as under:

Amount in Rupees

	SBNs		Other denomination notes	Total
	Denominations	Amount		
Closing cash in hand on 8 th November 2016	1,000*5 500*2	6,000	2,527	8,527
(+) Permitted Receipts	-	-	66,066	66,066
(-) Permitted Payments	1,000*5 500*2	6,000	57,267	63,267
(-) amount deposited in banks	-	-	-	-
Closing cash in hand on 30 th December 2016	-	-	11,326	11,326

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
Date: 11.08.2017

R.Deva Kumar
Managing Director
(DIN 07687666)

B.Elangovan
Director
(DIN: 00133452)

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)

	2016-17	2015-16
Used	5.24	24.68
Earned	10.00	2.25

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 upgradation to Part-I Category vendor. RDSO-Lucknow, Ministry of Railways upgraded TTL to Part-I Category for supply of 24F Armoured Cable.

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 setup facilities for production of OPGW manufacturing assembly

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

- Expenditure towards the R&D is Rs.33,285/-

B. Technology absorption, adaptation and innovation.

- 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.

TAMILNADU TELECOMMUNICATIONS LIMITED

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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	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@gmail.com; cosecttl2017@ttlfc.in
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)

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 1-4-2016)				No. of Shares held at the end of the year (as on 31-3-2017)			% 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	2,21,880	20,300	242,180	0.53%	2,18,112	20,300	2,38,412	0.52%	-0.01%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3283551	1,285,701	4,569,252	10.00%	32,36,344	12,80,924	45,17,268	9.89%	-0.11%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	676914	20,600	697,514	1.53%	741054	20,600	761,654	1.67%	0.14%
c) Others (specify)									
Non Resident Indians	25984	1,300	27,284	0.06%	26470	1,300	27,770	0.06%	0.00%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	100,184	3	100,187	0.22%	86753	6	86759	0.189%	-0.02%
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	5283	0	5,283	0.01%	9837	0	9837	0.02	0.01%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	4,313,796	1,327,904	5,641,700	12.35%	43,18,570	13,23,130	56,417,00	12.35%	0.00%
Total Public (B)	4,418,996	12,194,304	16,613,300	36.37%	44,23,770	1,21,89,530	1,66,13,300	36.37%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	11,102,996	34,578,004	45,681,000	100.00%	11,107,770	34,573,230	45,681,000	100.00%	0.00%

TAMILNADU TELECOMMUNICATIONS LIMITED

(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
1	At the beginning of the year	01.04.2016		29,067,700	63.63%	29,067,700	63.63%
2	Changes during the year		No Change	-	-	-	-
3	At the end of the year	31.03.2017		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-16		4247500	9.2981	4247500	9.2981
	At the end of the Year	31-Mar-17		4247500	9.2981	4247500	9.2981
2	FUJIKURA LTD						
	At the beginning of the year	1-Apr-16		3280000	7.1802	3280000	7.1802
	At the end of the Year	31-Mar-17		3280000	7.1802	3280000	7.1802
3	ANDHRA BANK						
	At the beginning of the year	1-Apr-16		2070600	4.5327	2070600	4.5327
	At the end of the Year	31-Mar-17		2070600	4.5327	2070600	4.5327
4	PUNJAB NATIONAL BANK						
	At the beginning of the year	1-Apr-16		1265200	2.7696	1265200	2.7696
	At the end of the Year	31-Mar-17		1265200	2.7696	1265200	2.7696

(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-16		105200	0.2302	105200	0.2302
	At the end of the Year	31-Mar-17		105200	0.2302	105200	0.2302
6	DECENT FINANCIAL SERVICES PVT LTD						
	At the beginning of the year	1-Apr-16		40000	0.0875	40000	0.0875
	At the end of the Year	31-Mar-17		40000	0.0875	40000	0.0875
7	NARAYANAN SRIDARAN						
	At the beginning of the year	1-Apr-16		40000	0.0875	40000	0.0875
		11-Nov-16	Sale	10000	0.0218	30000	0.0656
		02-Dec-16	Purchase	1	0.0000	30001	0.0656
	At the end of the Year	31-Mar-17		30001	0.0656	40000	0.0656
8	CHETAN RASIKLAL SHAH						
	At the beginning of the year	1-Apr-16		37500	0.0820	37500	0.0820
		08-Jul-16	Sale	15581	0.0341	21919	0.0479
		15-July-16	Sale	21919	0.479	0	0.0000
	At the end of the Year	31-Mar-17		0	0.000	0	0.0000
9	KETAN CHORARIA						
	At the beginning of the year	1-Apr-16		30000	0.0656	30000	0.0656
	At the end of the Year	31-Mar-17		30000	0.0656	30000	0.0656
10	SHAKUNTLA GUPTAJT1 : K R GUPTA						
	At the beginning of the year	1-Apr-16		28975	0.0634	28975	0.0634
	At the end of the Year	31-Mar-17		28975	0.0634	28975	0.0634
11	RANGAVAZZULA KRISHNA KUMARI						
	At the beginning of the year	1-Apr-16		0	0	0	0
		28-Oct-16	Purchase	33000	0.0722	33000	0.0722
		04-Nov-16	Purchase	800	0.0017	33800	0.0739
	At the end of the Year	31-Mar-17		33800	0.0739	33800	0.0739

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-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		NIL	NIL	NIL	NIL
2	V.S.Parameswaran						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	30-Nov-16		NIL	NIL	NIL	NIL
3	A.V.V.Krishnan						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		NIL	NIL	NIL	NIL
4	R.Deva Kumar						
	At the beginning of the year	1-Dec-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		NIL	NIL	NIL	NIL
5	B.Elangovan						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		NIL	NIL	NIL	NIL
6	B.Ramakrishnan						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		NIL	NIL	NIL	NIL
7	M.S.Shanmugam						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		NIL	NIL	NIL	NIL
8	Christy Fernandez						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	1-Dec-16		NIL	NIL	NIL	NIL
9	T.S.Sivaramakrishnan						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	30-Dec-16		NIL	NIL	NIL	NIL
10	J Ramesh Kannan						
	At the beginning of the year	31-Dec-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		NIL	NIL	NIL	NIL
11	Ajay Shukla						
	At the beginning of the year	1-Apr-16		NIL	NIL	NIL	NIL
	At the end of the Year	31-Mar-17		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	138901801	-	-	138901801
ii) Interest due but not paid	14873639	-	-	14873639
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	153775440	-	-	153775440
<i>Change in Indebtedness during the financial year</i>				
* Addition	57839124	-	-	57839124
* Reduction	(4517620)	-	-	(4517620)
Net Change	53321504	-	-	53321504
<i>Indebtedness at the end of the financial year</i>				
i) Principal Amount	178523287	-	-	178523287
ii) Interest due but not paid	28573657	-	-	28573657
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	207096944	-	-	207096944

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 (01.04.2016 to 30.11.2016)	R. Deva Kumar (01.12.2016 to 31.03.2017)	
	Designation	Managing Director	Managing Director	
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,10,135	7,34,714	27,44,849
	(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)	20,10,135	7,34,714	27,44,849
	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>	—	—
	<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>		—
	<i>Total Managerial Remuneration</i>	—	—
	<i>Overall Ceiling as per the Act</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.T.S.Sivaramakrishnan (01.04.2016 to 30.12.2016)	Sh J Ramesh Kannan (01.01.2017 to 31.03.2017)	
	Designation	CFO	CFO	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,15,416	6,28,041	4,98,833	33,42,290
	(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	22,15,416	6,28,041	4,98,833	33,42,290

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 31.03.2017 is as under:

Category	Name of Directors	Designation	No. of Shares in the Company
Promoter Executive Director	R.Deva Kumar	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
	B.Elangovan	Director	Nil

Board Meetings

The Board of Directors met 3 (three) times during the period 01st April 2016 to 31st March 2017 on the following dates i.e. 30th May 2016, 26th September 2016 and 18th January 2017.

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(1)	2	Yes	-	1	-
Rajesh Kapoor	3	Yes	1	-	1
AVV Krishnan	3	Yes	3	1	-
Christy Fernandez(2)	0	No	-	1	-
M S Shanmugam	1	No	10#	-	-
B. Elangovan	2	No	5##	2	1
B. Ramakrishnan	1	Yes	9###	2	-
R.Deva Kumar	1	No	-	1	-

- (i) Shri.V.S.Parameswaran has resigned from MD on 30.11.2016 and Shri.R.Deva Kumar, Managing Director deputed by promoter company TCIL is appointed as Managing Director with effect from 01.12.2016.
- (ii) Shri Christy Fernandez IAS (RETD) has resigned as Special Nominee Director on 01.12.2016 representing BIFR on the Board of Tamilnadu Telecommunications Limited.

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 Listing Regulations, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2017 have been made by the Directors.

- Includes one Membership in SEZ

- Includes one Private Company

- Includes four Private Companies

Board Committees' Report

In accordance with SEBI Listing Regulations, 2015 of stock exchanges on Corporate Governance, the following Committees were in operations:

- Audit Committee
- Shareholders'/ Investors' Grievance Committee

Except Managing 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. 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

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assistance to the Board of Directors in fulfilling the Board's responsibilities, the Audit Committee has been constituted with the following members:

Shri. B.Elangovan, Member

Shri. A.V.V Krishnan, 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 Three times during the period from 01st April 2016 to 31st March 2017 on the following dates 30th May 2016, 26th September 2016 and 18 January 2017

Attendance particulars of each director at the Audit Committee Meeting as on 31.03.2017 as follows:

Name of Members	No. of Meetings			
	Category	Period	Meeting Held (01.04.2016 to 31.03.2017)	Meeting Attended as per their period
Shri. Christy Fernandez,	Nominee Director (BIFR)	01.04.2016 to 30.11.2016	2	0
Shri. B.Elangovan	Non-Independent Non-Executive	01.04.2016 to 31.03.2017	3	1
Shri. A.V.V Krishnan	Non-Independent Non-Executive	01.04.2016 to 31.03.2017	3	2

Note:

1. Shri Christy Fernandez IAS (RETD), Special Nominee Director, has been resigned from the Board of TTL due to closure of BIFR from 01.12.2016.

Particulars of Managerial Remuneration of Key Management Personnel:

(Rs. In Lakhs)

Particulars of Remuneration	2016-17	2015-16
i) Salary and Allowance Managing Director, CFO and Company Secretary	60.87	59.47

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. R.Deva Kumar, Member

Shri Ajay Shukla, Company Secretary of the company, acted 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 one complaint was received from the shareholders. Outstanding complaints as on 31.03.2017 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 2017.

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
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.
2015-16	Shri Venkata Auditorium at Bharatiya Vidya Bhavan, No. 18-22, East Mada Street, (Near Kapaleeswarar temple), Mylapore, Chennai -600004	27.09.2016	2.30 P.M.

Special Resolution

Year	AGM/EGM	Passed Under Section(s)
2013-2014	---	Nil
2014-2015	---	Nil
2015-2016	---	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 19 of Note 27– Notes to Accounts.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the 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 2016-17, 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.

TAMILNADU TELECOMMUNICATIONS LIMITED

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) 01.04.2017 to 31.03.2018

First Quarter Ending 30.06.2017	Between 01 st and 14 th August 2017
Second Quarter Ending 30.09.2017	Between 01 st and 14 th November 2017
Third Quarter Ending 31.12.2017	Between 01 st and 14 th February 2018
Audited Yearly Results 31.03.2018	Between 15 th May and 30 th May 2018
AGM for 2017-18	During September 2018

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 : 22.09.2017
Time : 10.15 A.M
Venue : Mylapore Fine Arts Club, 45, Musiri Subramaniam Road, Mylapore, Chennai-600004,

B. Book Closure Date : From 16.09.2017 to 22.09.2017

C. Financial Calendar : 1st April 2016 to March 31st 2017

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 2016-17 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.

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 : TTELE

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, 2016 to March 31, 2017 are given below:

(Prices in Rupees)

Month	National Stock Exchange (2016-17)			Bombay Stock Exchange (2016-17)		
	High	Low	Volume	High	Low	Volume
Apr-16	3.15	2.6	22255	3.16	2.59	29948
May-16	3.15	2.65	3610	3.1	2.47	14989
Jun-16	2.95	2.55	6197	3.15	2.76	5520
Jul-16	3.1	2.5	57077	3.09	2.73	21526
Aug-16	3.2	2.6	19913	3.08	2.76	17128
Sep-16	2.95	2.5	36801	3.13	2.71	11007
Oct-16	3.05	2.45	37289	3.34	2.62	94548
Nov-16	3	2.7	21285	3.3	2.45	21605
Dec-16	2.9	2.9	5551	2.8	2.37	4779
Jan-17	2.9	2.55	5786	2.9	2.33	13786
Feb-17	4.2	2.65	52888	4.66	2.66	154486
Mar-17	3.65	2.65	21891	3.9	2.47	78093

Distribution of Shareholding as at 31st March 2017

No. of shares held	No. of Shareholders	% of Share holding	Share Amount (Rs.)	% of Share holding
Upto 500	18574	92.70	24585440	5.38
501-1000	790	3.94	6743260	1.48
1001-2000	347	1.74	5489440	1.20
2001-3000	107	0.53	2728020	0.60
3001-4000	54	0.27	1928800	0.42
4001-5000	44	0.22	2024400	0.44
5001-10000	65	0.33	4492770	0.98
10001 & above	54	0.27	408817870	89.50
Total	20035	100.00	456810000	100.00

Shareholding Pattern as at 31st March 2017

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	3280000	7.18
Fujikura Ltd., Japan		
3. Banks, FIs	7689300	16.83
4. Mutual Funds	2300	0.01
5. Clearing Member	9837	0.02
6. Private Corporate Bodies/Trusts/Partnerships	238412	0.53
7. Indian Public	5365681	11.74
8. NRIs	27770	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 2017, 24.32 % 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 Subhransu Sekhar Sahoo
Company Secretary and Compliance Officer (w.e.f. 24-7-2017)
Tamilnadu Telecommunications Limited, Corporate Office,
E18B-E24, CMDA Industrial Complex,
Maraimalai Nagar – 603 209
Phone: 044-27451095 / 27453881
E-mail ID : ttlofsec@gmail.com; cosectl2017@ttlofc.in
Website : www.ttlofc.in

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 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, 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. As such, there has been no need to constitute a Remuneration

TAMILNADU TELECOMMUNICATIONS LIMITED

Committee. It 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. It 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. It 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 interlinked 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 2017.

For Tamilnadu Telecommunications Limited

Place: Chennai
Date: 11-08-2017

(R. Deva Kumar)
Managing Director
(DIN: 07687666)

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

We, R Deva Kumar, Managing Director and J Ramesh Kannan 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, 2017 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

R Deva Kumar
Managing Director
(DIN: 07687666)

J Ramesh Kannan
GM (Finance)

Form No. MR-3**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To,

The Members,

TAMIL NADU TELECOMMUNICATIONS 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 TELECOMMUNICATIONS 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 TELECOMMUNICATIONS 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 **31.03.2017**, 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 TELECOMMUNICATIONS LIMITED** ("the Company") for the financial year ended on **31.03.2017** 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, 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 Regulations/Standards 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) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- ii). 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. Due to non appointment of Independent Directors, the Company has not complied with Section 149(4), 177(1) and Schedule IV of the Companies Act, 2013 in terms of minimum number of Independent Directors in the Board, Constitution of Audit Committee and conducting a separate meeting of Independent Directors respectively.
- ii. Due to non appointment of Independent Directors, the Company has not complied requirement of constitution Nomination and Remuneration Committee as per sec 178(1) of the companies Act, 2013.
- iii. The Company conducted only 3 Board Meetings and 3 Audit Committee Meetings instead of 4 meetings in a calendar year 2016 against the Section 173 of the Companies Act, 2013 and Regulation 18 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 respectively.
- iv. The Company has not complied with Section 149(1) of the Companies Act, 2013 in terms of having woman director in the Board.
- v. The Company has not complied the Regulation 29 read with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of financial results.

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.

Place: Chennai
Date: 11.08.2017

Signature :
Name of Company Secretary
in practice : M.DAMODARAN
FCS No : 5837
C. P. No. : 5081

TAMILNADU TELECOMMUNICATIONS LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

To,
**The Members of Tamilnadu Telecommunications Limited
Chennai.**

I have examined the compliance of conditions of Corporate Governance by Tamilnadu Telecommunications Limited ("the Company"), for the year ended 31st March 2017, as stipulated in Regulations 17 to 27 of Chapter IV of the 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the following:

1. Due to non-appointment of Independent Directors, the Company has not complied with Regulations 17(1) (b), 18 (1) and 25 (3) 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, Constitution of Audit Committee and conducting a separate meeting of Independent Directors respectively.

2. The Company has not constituted Nomination and Remuneration Committee as per Regulation 19(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Company conducted only 3 Board Meetings and 3 Audit Committee Meetings instead of 4 meetings in a calendar year 2016 against the Regulation 17(2) and 18 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 respectively.
4. The Company has not complied with Regulation 17(1) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of having woman director in the Board.

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

Place: Chennai
Date: 11.08.2017

(Practicing Company secretary)
(C.P. No: 5081)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/s TAMILNADU TELECOMMUNICATIONS LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of **M/s Tamilnadu Telecommunications Limited, Chennai** for the year ended 31 March 2017 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/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the 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 May 29, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **M/s. Tamilnadu Telecommunications Limited, Chennai** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily

to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

General

The Company has not disclosed the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as stipulated in Ministry of Corporate Affairs (MCA) Notification dated 30 March 2017. Further, the statement of Statutory Auditors in point no. 14(h) (iv) of their Report that the company has disclosed in its IND AS financial statements the details of the Specified Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 and they are in accordance with the books of accounts maintained by the company is not factual in view of the above.

For and on behalf of
Comptroller General of India

Place: Delhi
Date : 22-8-2017

(P.K.TIWARI)
DIRECTOR GENERAL OF AUDIT (P&T)

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Tamilnadu Telecommunications Limited.

Report on the Ind AS Financial Statements:

1. We have audited the accompanying Ind AS financial statements of **Tamilnadu Telecommunications Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow, the Statement of Changes in Equity, a summary of the significant accounting policies and other explanatory information, for the year then ended

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

4. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
5. 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.
6. We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

9. a) ***The Company has not recognised the following financial liability/asset at Fair Value in terms of IndAS 109 (including comparative figures as of 31st March 2016 and 1st April 2015):***
 - i) ***Amounts due to: Fujikura Limited amounting to Rs. 1,89,45,590; and***
 - ii) ***Trade Receivables (considered good) amounting to Rs.7,43,11,691.***

Qualified Opinion:

10. ***In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its Loss (financial performance including other comprehensive income), Cash flows and the changes in equity for the year ended on that date.***

Emphasis of Matter

11. Without qualifying our conclusion in respect of this matter, we draw attention to:
 - a) S.No-3–Note–27–Notes to Accounts. As at 31st March 2017, the Company's accumulated losses of Rs. 117,76,41,518 (including a loss of Rs.16,26,87,588 for the year under audit) 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. Based on the mitigating

TAMILNADU TELECOMMUNICATIONS LIMITED

factors and events occurring after the reporting period as detailed in the said note, the Management believes that the Going Concern assumption is appropriate.

- b) S.No 21 -Note - 27 Notes to Accounts . The Company has not restated the amounts due to its holding company viz.,Telecommunications Consultants India Limited amounting to Rs.83,99,90,817 at Fair value, but retained the same at its book value.
- c) Considering the present inability of the Company to repay its debts, the Bridge Loan and the Working Capital Support received from Telecommunications Consultants India Limited amounting to Rs. 11,65,73,000 and Rs. 6,19,50,290 respectively, should be treated as a Long Term Financial Liability in the books of the Company and not as a Short term Borrowings.

Report on Other Legal and Regulatory Requirements:

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As per the books and records produced before us and as per the information and explanations given to us and based on such audit check that we considered necessary and appropriate, we report that:
- (i) (a) The Company has maintained proper records showing full 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 II** to our Report.
- (ii) (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 during the year
- (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 not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (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 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.40,72,150/-. We are informed that there is one employee who is 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 2017 are as given below:

Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending
Sales Tax	Additional sales Tax	1,86,08,794	High Court of Madras
Sales Tax	Non-Submission of C-forms	22,95,000	Commercial Sales tax officer.
Duty of Customs	Difference in classification of imports	31,55,226	Commissioner of customs

- (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 Indian 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.
14. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) **Our observations in para 11 (Emphasis of Matter) hereinabove regarding the assumption of Going Concern, in our opinion, may have adverse effect on the functioning of the Company.**
- f) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 I**.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer S.No.2,10,13,14, and 18 under Note-27 – Notes to Accounts to the financial statements;
- ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund, by the Company.
- iv. The Company has disclosed in its Ind AS financial statements the details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December 2016 and they are in accordance with the books of accounts maintained by the Company.
15. 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 2016-17 is given in **Annexure II** to our Report.

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

R.Kandavelu
Partner
(M.No.12811)

Place: Chennai
Date: 29th May, 2017

TAMILNADU TELECOMMUNICATIONS LIMITED

Annexure - I

Annexure to the Independent Auditor's Report of even date on the Ind AS 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"):

1. We have audited the internal financial controls over financial reporting of **Tamilnadu Telecommunications Limited** ("the Company") as of 31st March 2017, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

2. 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:

3. 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.
4. 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

5. 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:

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:
 - i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
 - iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

7. 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:

8. 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 31 March 2017, 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)

R.Kandavelu
Partner
(M.No.12811)

Place: Chennai
Date: 29th May, 2017

Annexure – II**Report on directions issued by Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 for conducting audit of accounts of Tamilnadu Telecommunications Limited (TTL) for the year 2016-17.**

S. No.	Direction	Observation
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	<p>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 in spite of due clearances received from all the banks of the consortium.</p> <p>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.</p>
2.	Please report 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 2016-17.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift 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: 29th May, 2017

Compliance Certificate

We have conducted the audit of accounts of Tamilnadu Telecommunications Limited for the year ended 31st March 2017 in accordance with the directions issued by the C &AG of India under Section 143 (5) of the companies act, 2013 and certify that we have complied with the all the directions issued to us.

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

R.Kandavelu
Partner
(M.No.12811)

Place: Chennai
Date: 29th May, 2017

TAMILNADU TELECOMMUNICATIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2017

(Rupees in Hundreds)

S. No.	Particulars	Note No.	31st March 2017	31st March 2016	1st April 2015
Assets					
(1) Non-current assets					
	(a) Property, Plant and Equipment	2	947,457	977,971	1,008,888
	(b) Other non-current assets	3	7,245	8,906	12,212
	Sub Total - A		954,702	986,878	1,021,099
(2) Current assets					
	(a) Inventories	4	317,907	357,722	778,691
	(b) Financial Assets				
	(i) Trade receivables	5	743,117	957,668	1,110,832
	(ii) Cash and cash equivalents	6	69,020	20,706	15,633
	(iii) Short term Loans	7	305	185	185
	(c) Other currents assets	8	130,791	791,492	827,380
	Sub Total - B		1,261,140	2,127,774	2,732,721
	Total assets (A+B)		2,215,843	3,114,652	3,753,820
EQUITY AND LIABILITIES					
(1) EQUITY					
	(a) Equity Share capital	9	4,567,620	4,567,620	4,567,620
	(b) Other Equity	10	(11,776,415)	(10,149,539)	(8,568,470)
	Sub Total - A		(7,208,795)	(5,581,919)	(4,000,850)
LIABILITIES					
(1) Non-current liabilities					
	(a) Long Term Provisions	11	254,448	212,251	217,467
	Sub Total - B		254,448	212,251	217,467
(2) Current Liabilities					
	(a) Financial liabilities				
	(i) Short term Borrowings	12	1,785,233	1,389,018	1,171,410
	(ii) Trade payables	13	6,654,121	6,543,337	5,937,295
	(iii) Other Financial liabilities	14	202,565	219,395	215,693
	(b) Other current liabilities	15	335,667	194,052	38,491
	(c) Short Term Provisions	16	192,603	138,517	174,315
	Sub Total - C		9,170,189	8,484,320	7,537,204
	Total Equity and Liabilities - (A+B+C)		2,215,843	3,114,652	3,753,820
Statement of Significant Accounting Policies		1			
Notes on Financial Statement		2 to 27			

As per our Report of even date attached
For S.Venkatram & Co
Chartered Accountants
Firm's Registration Number : 004656S

R. Kandavelu
Partner
Membership No. 12811

Place : Chennai
Date : 29.05.2017

For and on behalf of Board of Directors of
Tamilnadu Telecommunications Limited

J. Ramesh Kannan
GM (Finance)

B. Elangovan
Director

R. Deva Kumar
Managing Director

Ajay Shukla
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

(Rupees in Hundreds)

S. No.	Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I.	Revenue from Operations	17	267,010	470,800
II	Other Income	18	786	890
III	Total Income (I+II)		267,796	471,690
IV	EXPENSES			
	Cost of materials consumed	19	146,907	243,977
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	38,162	207,016
	Excise Duty	17	29,668	52,234
	Employee benefits expense	21	447,835	401,970
	Finance costs	22	776,724	815,856
	Depreciation and amortization expense	23	31,406	31,641
	Other expenses	24	241,526	244,656
	Provision for Doubtful Debts/Advances		87,553	45,400
	Total expenses (IV)		1,799,781	2,042,749
V	Profit/(loss) before exceptional items and tax (III-IV)		(1,531,985)	(1,571,059)
VI	Exceptional Items	25	47,409	473
VII	Profit/(loss) before tax (V-VI)		(1,579,394)	(1,571,532)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit/(Loss) for the period (VII-VIII)		(1,579,394)	(1,571,532)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss	26	(47,482)	(9,537)
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		(1,626,876)	(1,581,069)
XII	Earnings per equity share			
	(1) Basic		(3.56)	(3.46)
	(2) Diluted			
	Statement of Significant Accounting Policies Notes on Financial Statement	1 2 to 27		

As per our Report of even date attached
For S.Venkatram & Co
Chartered Accountants
Firm's Registration Number : 004656S

For and on behalf of Board of Directors of
Tamilnadu Telecommunications Limited

R. Kandavelu
Partner
Membership No. 12811

J. Ramesh Kannan
GM (Finance)

R. Deva Kumar
Managing Director

Place : Chennai
Date : 29.05.2017

B. Elangovan
Director

Ajay Shukla
Company Secretary

TAMILNADU TELECOMMUNICATIONS LIMITED

Statement of Changes in Equity for the year ended March 31, 2017

(Rupees in Hundreds)

A. Equity Share Capital

Balance as at the beginning of reporting period -April 1, 2015	Changes in EquityShare Capital during the year	Balance as at March 31, 2016	Changes in EquityShare Capital during the year	Balance as at the end of reporting period - March 31, 2017
4,567,620	-	4,567,620	-	4,567,620

B. Other Equity

Particulars	Reserves and surplus			Total
	Securities Premium Reserve	Capital Restructuring Reserve	Statement of Profit & Loss	
Financial Year - 2014-15				
Balance as at beginning of the reporting period April 1, 2014 - (A)	98,400	979,711	(8,530,969)	(7,452,859)
Profit/(Loss) for the year	-	-	(857,491)	(857,491)
Less:- Deductions- Write off of Fixed assets			(12,227)	(12,227)
i) Prior period expenses charged to the respective year			(1,008)	(1,008)
ii) Earnest Money Deposit Written back			22,921	22,921
iii) Provision for expenses Written back			4,747	4,747
iv) Prior period expenses pertaining to 2014-15 and prior to that year			(272,554)	(272,554)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year 2014-15 (B)	-	-	(9,646,581)	(9,646,581)
Balance as at March 31, 2015 - (C)	98,400	979,711	(9,646,581)	(8,568,470)
Amount carried forward to Balance Sheet	98,400	979,711	(9,646,581)	(8,568,470)
Financial Year - 2015-16				
Balance as at beginning of the reporting period April 1, 2015 - (A)	98,400	979,711	(9,646,581)	(8,568,470)
Profit/(Loss) for the year			(1,571,532)	(1,571,532)
Other comprehensive income			(9,537)	(9,537)
Total comprehensive income for the year 2015-16 (B)			(1,581,069)	(1,581,069)
Balance as at March 31, 2016 - (C)	98,400	979,711	(11,227,650)	(10,149,539)
Amount carried forward to Balance Sheet	98,400	979,711	(11,227,650)	(10,149,539)
Financial Year - 2016-17				
Balance as at beginning of the reporting period April 1, 2016 - (A)	98,400	979,711	(11,227,650)	(10,149,539)
Profit/(Loss) for the year			(1,579,394)	(1,579,394)
Other comprehensive income			(47,482)	(47,482)
Total comprehensive income for the year 2016-17 - (B)			(1,626,876)	(1,626,876)
Balance as at March 31, 2017 - (C)	98,400	979,711	(12,854,526)	(11,776,415)
Amount carried forward to Balance Sheet	98,400	979,711	(12,854,526)	(11,776,415)

As per our Report of even date attached
For S.Venkatram & Co
Chartered Accountants
Firm's Registration Number : 004656S

For and on behalf of Board of Directors of
Tamilnadu Telecommunications Limited

R. Kandavelu
Partner
Membership No. 12811

J. Ramesh Kannan
GM (Finance)

R. Deva Kumar
Managing Director

Place : Chennai
Date : 29.05.2017

B. Elangovan
Director

Ajay Shukla
Company Secretary

Statement of Cash Flow for the year ended 31st March 2017

(Rupees in Hundreds)

Description	For the year ended 31st March 2017	For the year ended 31st March 2016
Cash Flow from Operating Activities:		
Net Profit / (Loss) before tax	(1,626,876)	(1,581,069)
Adjustments for:		
Add:		
-Depreciation	31,406	31,641
-Interest & Finance Charges	776,724	815,856
-Exceptional items (Excluding loss on sale of assets)	45,470	-
-Loss on sale of assets	1,939	473
-Exchange Rate Fluctuations - Loss / (Gain)	(4,367)	5,613
	(775,704)	(727,486)
Less:		
-Interest/Dividend Received	550	890
Operating Profit before Working Capital changes	(776,254)	(728,376)
Adjustments for Working capital changes		
-Trade Receivables	214,551	153,164
-Other Current receivables	660,581	35,888
- Inventories	39,815	420,969
- Other Non - current assets	1,661	3,305
-Trade Payables	110,783	606,042
-Other Current liabilities	575,086	341,074
Cash generated from Operations	826,224	832,066
Income Tax	-	-
Cash Flow after tax before Exceptional items	826,224	832,066
Exceptional items	(45,470)	-
Exchange Rate Fluctuations - (Loss) / Gain	4,367	(5,613)
Net Cash from Operating Activities (A)	785,120	826,453
Cash Flow from Investing Activities:		
Purchase of Non-Current Assets	(3,789)	(1,333)
Sale of Non-Current Assets	958	136
Interest/Dividend Received	550	890
Net Cash from / (used) in Investment Activities (B)	(2,280)	(308)
Cash Flow from Financing Activities:		
Increase / (Decrease) of Long Term Provisions	42,197	(5,216)
Interest charges	(776,724)	(815,856)
Net Cash used in Financing Activities (C)	(734,527)	(821,072)
Net (decrease)/Increase in Cash Equivalents (A+B+C)	48,313	5,073
Cash & Cash Equivalents at the beginning of the year	20,706	15,633
Cash & Cash Equivalents at the end of the year	69,020	20,706

Notes:

- Cash and cash equivalents represents cash in hand and cash with scheduled banks.
- Cash from operating activities have been prepared using indirect method.
- Figures for the previous year have been re-grouped wherever necessary.

As per our Report of even date attached
For S.Venkatram & Co
Chartered Accountants
Firm's Registration Number : 004656S

For and on behalf of Board of Directors of
Tamilnadu Telecommunications Limited

R. Kandavelu
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R. Deva Kumar
Managing Director

Place : Chennai
Date : 29.05.2017

B. Elangovan
Director

Ajay Shukla
Company Secretary

TAMILNADU TELECOMMUNICATIONS LIMITED

Note 1

Statement of Significant Accounting Policies

1 Significant Accounting Policies

a. 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 are prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules with effect from 1st April 2016.

b. Use of estimates:

Preparation of financial statements in conformity with the recognition and the measurement principle of Ind AS requires the management of the company to make estimates and assumptions that affects the reported balances of assets and liabilities, disclosure relating to contingent liabilities as on the date of the Financial Statements and the reported amount of incomes and expenses for the reporting period.

Estimates and the underlying assumption are reviewed on ongoing basis. The revision to the accounting estimates if material is recognized in the period in which the estimates are revised.

2 Property, Plant and Equipment:

- a. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- b. The costs directly attributable including borrowing cost on qualifying asset are capitalized when the Property, Plant and Equipment are ready for use, as intended by the management.
- c. Subsequent expenditure relating to Property, Plant and Equipment including major inspection costs, spare parts, standby and servicing equipments are capitalized only when it is probable that future economic benefits associated with these will flow to the Company, the cost of the item can be measured reliably and the company expects to use them during more than period.
- d. In accordance with Ind AS 101 provisions relating to first time adoption, the Company has elected to consider the carrying value for all its Property, Plant and Equipment as their deemed cost as at the Opening Balance Sheet as at April 01, 2015 under Ind AS.
- e. Depreciation is calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act 2013, up-to the cost of the asset (net of residual value – which is considered at 5 % of cost of assets).
- f. Plant and Equipment costing individually Rs. 5,000 and below are fully depreciated in the year of purchase.
- g. Where the cost of an item of Property, Plant and Equipment are significant and have different useful lives, they are treated as separate components and depreciated over their estimated useful lives.
- h. Depreciation on Property, Plant and Equipment, added or deleted during the reporting period is provided from or till the date of such addition or deletion.
- i. The estimated useful lives, residual values and depreciation / amortisation method are reviewed at the end of each reporting period with the effect of changes in estimates accounted for on a prospective basis.
- j. The cost of assets not put to use, before the year end are disclosed under Capital Work-in-Progress.

3 Impairment of Assets

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognised and assets are written down to their recoverable amount.

4 Financial Assets and Liabilities

The Company recognizes all Financial Assets and Liabilities at Fair Value at inception and subsequent measurement is done at amortized cost. Fair Value adjustment is done only where material.

5 Inventories

- a. Inventories are valued at lower of cost and net realisable value. The cost of raw material excluding goods in transit, components and stores are assigned by using the weighted average cost formula. Goods in transit are valued at cost to date. In the case of finished goods, stock-in-trade and work-in-progress, cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- b. Saleable / Disposable scrap is valued at net realisable value.
- c. Stores, Tools and Spares/Components are valued at cost.

6 Foreign Currency Transactions:

- a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- b. Assets and Liabilities are re-instated at the year-end at the rate prevalent at each annual Balance Sheet date. The Income / Expenditure on account of this are charged to Statement of Profit and Loss.
- c. Any Incomes or Expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and 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.

7 Revenue Recognition**a. Sales:**

Sale is recognized on dispatch 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 the clients. Sales shown in the Statement of Profit and Loss exclude Excise Duty and Sales Tax.

b. Other Income and Expenses:

On accrual basis.

8 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 financial year end.

9 Employee 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:

- a) 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.
- b) Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.
- c) 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 annual 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.
- d) The retirement benefit obligation recognized in the annual 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.

10 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.

11 Liquidated Damages

Provision for liquidated damages is recognised for the period of delay between the due date of supply of the goods as per delivery schedule and its expected date of delivery of the said goods. In respect of repair/replacement, provision for liquidated damages is recognised at the time of revenue recognition.

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.

TAMILNADU TELECOMMUNICATIONS LIMITED

13 Accounting for Leases

The lease agreement entered with the lessors are for monthly rental hiring basis of office accommodation for a period of eleven 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 fulfilment of the agreed conditions. The monthly lease rents are being recognized as an expense in the period in which they are incurred.

14 Taxes on Income

- a) Taxation comprises of current tax and deferred tax charge or credit
- b) Current tax is the amount of tax payable on the taxable Income for the year as determined in accordance with the applicable tax rates and provisions of Income Tax Act,1961.
- c) The deferred tax on timing differences between book profit and taxable profit for the year is accounted for applying the tax rates and laws that have been enacted or substantively enacted as on the annual balance sheet date. deferred tax assets arising from timing difference in excess of deferred tax liability are recognized to the extent there is a reasonable certainty that such assets can be realized in future.

15 Claims by the Company

Claims on purchasers/suppliers towards differential in awarded rate during the scheduled delivery period are accounted when claims are preferred and carried forward till such time the company has a legal right to recover such amounts. Such claims are reviewed at annual balance sheet date.

16 Provisions and Contingent Liabilities

A provision is recognised, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.

Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as contingent liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

17 Onerous Contract

The excess of unavoidable costs of meeting the obligations on onerous contracts over economic benefits expected to be received is charged to the Statement of Profit and Loss in the year in which the contract become onerous and is recognized and measured as loss.

Note 2- Plant, Property and Equipment

Following table represents the changes in Plant, Property and Equipment for the year ended 31st March 2017

Note 2A -Gross Carrying cost -Plant, Property and Equipment

Particulars	Gross block as at 1st April 2016	Additions	Disposals	Gross block as at 31st March 2017
Cost or Deemed cost				
Land -(Freehold)	420,136	-	-	420,136
Buildings	337,948	-	-	337,948
Plant and Equipment	3,210,932	3,609	3,784	3,210,757
Furniture and Fixtures	7,802	160	-	7,962
Vehicles	12,741	-	-	12,741
Office Equipment	4,274	-	-	4,274
Others				
EDP Equipments	4,460	20	-	4,479
Total	3,998,292	3,789	3,784	3,998,297
Previous Year	3,997,724	1,333	764	3,998,292

Note 2B -Accumulated Depreciation- Plant, Property and Equipment

Particulars	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31st March 2017	Net Block as at 31st March 2017	Net Block as at 31st March 2016
Depreciation						
Land -(Freehold)	-	-	-	-	420,136	420,136
Buildings	182,147	10,997	-	193,144	144,804	155,801
Plant and Equipment	2,816,571	18,451	887	2,834,135	376,622	394,361
Furniture and Fixtures	7,431	29	-	7,460	501	370
Vehicles	6,003	1,729	-	7,732	5,010	6,738
Office Equipment	3,961	156	-	4,117	157	314
Others						
EDP Equipment	4,208	44	-	4,252	227	252
Total	3,020,321	31,406	887	3,050,841	947,457	977,971
Previous Year	2,988,836	31,641	156	3,020,321	977,971	1,008,888

Following table represents the changes in Plant, Property and Equipment for the year ended 31st March 2016

Note 2C -Gross Carrying cost -Plant, Property and Equipment

Particulars	Gross block as at 1st April 2015	Additions	Adjustment	Disposals	Gross block as at 31st March 2016
Cost or Deemed cost					
Land -(Freehold)	420,136	-	-	-	420,136
Buildings	337,495	453	-	-	337,948
Plant and Equipment	3,210,816	880	-	764	3,210,932
Furniture and Fixtures	7,802	-	-	-	7,802
Vehicles	12,741	-	-	-	12,741
Office Equipment	4,274	-	-	-	4,274
Others					
EDP equipments	4,460	-	-	-	4,460
Total	3,997,724	1,333	-	764	3,998,292
Previous Year	3,998,125	5,271	(5,210)	463	3,997,724

Note 2D -Accumulated Depreciation- Plant, Property and Equipment

Particulars	Balance as at 1st April 2015	Additions	Adjustment	Disposals	Balance as at 31st March 2016	Net Block as at 31st March 2016	Net Block as at 31st March 2015
Depreciation							
Land -(Freehold)	-	-	-	-	-	420,136	420,136
Buildings	171,123	11,024	-	-	182,147	155,801	166,372
Plant and Equipment	2,798,260	18,467	-	156	2,816,571	394,361	412,556
Furniture and Fixtures	7,340	92	-	-	7,431	370	462
Vehicles	4,270	1,733	-	-	6,003	6,738	8,472
Office Equipment	3,782	179	-	-	3,961	314	493
Others							
EDP equipments	4,063	145	-	-	4,208	252	397
Total	2,988,836	31,641	-	156	3,020,321	977,971	1,008,888
Previous Year -	2,950,993	30,897	12,227	5,281	2,988,836	1,008,888	1,047,133

(Rupees in Hundreds)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Note 3- Other non- current assets			
Unsecured Considered Good			
Security Deposits	7,245	8,906	12,212
TOTAL	7,245	8,906	12,212
Note 4- Inventories			
Inventories			
Raw materials and Components (valued at weighted average cost)	93,820	147,603	304,395
	93,820	147,603	304,395
Work-in-Progress (valued at cost upto the stage of completion or realizable value whichever is lower)	212,775	195,471	457,953
Stores and Spares Parts (valued at cost)	10,607	14,294	15,072
	223,382	209,766	473,026
Disposable Scrap (valued at net realizable value)	705	353	1,270
TOTAL	317,907	357,722	778,691
Note 5- Trade Receivables			
Trade Receivables			
Secured Considered Good	-	-	-
Unsecured Considered Good	743,117	957,668	1,110,832
Doubtful	875,572	728,699	683,376
	1,618,689	1,686,367	1,794,208
Less: Provision for Doubtful Debts	875,572	728,699	683,376
TOTAL	743,117	957,668	1,110,832
Note 6- Cash & Cash Equivalents			
Balances with Bank			
-Current Account	68,954	20,605	15,393
Cash on Hand	12	87	240
Others- Imprest	53	14	-
TOTAL	69,020	20,706	15,633
Note 7- Short- term Loans			
Unsecured Considered Good			
Employee Advances	305	185	185
TOTAL	305	185	185

TAMILNADU TELECOMMUNICATIONS LIMITED

(Rupees in Hundreds)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Note 8- Other Current assets			
Deposit against Sales Tax case	75,000	75,000	75,000
Govt Departments for Excise duty and Service tax	17,782	55,705	84,735
Claims recoverable - Customs Department	10,034	10,034	10,034
Tax deducted at Source receivable	5,011	4,960	5,891
Amount recoverable from Vendors	21,192	20,193	25,699
Prepaid expenses - Unsecured, considered good	1,749	866	1,283
Interest accrued on Investments	24	28	32
Insurance claims receivable	-	624,706	624,706
TOTAL	130,791	791,492	827,380
<u>EQUITY</u>			
Note 9- Equity Share Capital			
A) Authorised Capital			
5,00,00,000 Equity Shares of Rs.10 each	5,000,000	5,000,000	5,000,000
B) Shares Issued, Subscribed & fully paid up and Subscribed and not fully paid up			
Issued			
4,56,81,000 Equity Shares of Rs.10 each	4,568,100	4,568,100	4,568,100
Subscribed and Fully Paid up			
4,56,71,400 Equity Shares of Rs.10 each fully paidup	4,567,140	4,567,140	4,567,140
Subscribed and not Fully Paid up			
9,600 Equity Shares of Rs.10 each	960	960	960
Less: Allotment money unpaid - others			
9,600 Equity Shares of Rs. 5 each	(480)	(480)	(480)
Subscribed and Paid up	4,567,620	4,567,620	4,567,620
C) Par Value per Share (Rs.)			
	10	10	10
Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the Reporting period			
Opening Equity Shares (Nos.)	45,681,000	45,681,000	45,681,000
Add: Additions during the Year (Nos.)	-	-	-
Less: Deletions during the Year (Nos.)	-	-	-
Closing Equity Shares (Nos.)	45,681,000	45,681,000	45,681,000
D) 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 in proportion to their shareholding after settlement of all Preferential amounts .			

(Rupees in Hundreds)

Particulars		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	
E) Shares held by the Holding Company (by virtue of Section 2(87) of the Companies Act, 2013)					
2,23,83,700 Equity shares of Rs. 10 each (49%) held by Telecommunications Consultants India Limited (One of the promoters)		2,238,370	2,238,370	2,238,370	
F) Shares in the Company held by each Shareholder holding more than 5 percent shares specifying the number of Shares held					
S.NO	Name of the Shareholder	31st March 2017		31st March 2016	
		Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
1	Telecommunications Consultants India Ltd (TCIL)	22,383,700	49.00%	22,383,700	49.00%
2	Tamilnadu Industrial Development Corporation Ltd	6,684,000	14.63%	6,684,000	14.63%
3	State Bank of India (SBI)	4,247,500	9.30%	4,247,500	9.30%
4	Fujikura Limited, Japan	3,280,000	7.18%	3,280,000	7.18%
Note 10- Other equity					
(i) Other Reserves					
Securities Premium Reserve					
	Opening Balance	98,400		98,400	98,400
	Add: Securities Premium credited on Share Issue	-		-	-
	Less: Issue of Bonus Shares	-		-	-
	Closing Balance	98,400		98,400	98,400
Capital Restructuring Reserve					
	Balance at the beginning of the year	979,711		979,711	979,711
	Add: Additions / transfers during the year	-		-	-
	Less: Utilisations / transfers during the year	-		-	-
	Closing Balance	979,711		979,711	979,711
(ii) Retained earnings - Surplus in the statement of Profit and Loss					
Surplus in Statement of Profit and Loss					
	Add: Net Profit / (Net Loss) for the Current Year	(11,227,650)		(9,646,581)	(8,530,969)
	Less: Appropriations / Allocations	(1,579,394)		(1,571,532)	(857,491)
	-Fixed asset Write off	-		-	-
	-Adjustments on account of IND AS	-		-	12,227
	i) Prior period expenses charged to the respective year	-		-	(1,008)
	ii) Earnest Money Deposit Written back	-		-	22,921
	iii) Provision for expenses Written back	-		-	4,747
	iv) Prior period expenses pertaining to 2014-15 and prior to that year	-		-	(272,554)
	Add:- Other comprehensive income	(47,482)		(9,537)	-
	Closing Balance	(12,854,526)		(11,227,650)	(9,646,581)
	TOTAL	(11,776,415)		(10,149,539)	(8,568,470)

TAMILNADU TELECOMMUNICATIONS LIMITED

(Rupees in Hundreds)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Note 11- Long term Provisions			
A. Provisions for Employee Benefits			
Gratuity	211,409	172,655	150,480
Leave Encashment	43,039	39,595	66,986
TOTAL	254,448	212,251	217,467
Note 12- Short Term Borrowings			
A. Secured Long Term Borrowings:			
Loans and Advances from Related Parties - (*)	1,785,233	1,389,018	1,171,410
TOTAL	1,785,233	1,389,018	1,171,410
(*)			
1. Consists of Bridge loan from TCIL Rs.11,65,730(Previous year - Rs. 11,65,730) and Working Capital support from TCIL of Rs.619503(Previous year - Rs.2,23,288)			
2. Bridge loan is short term loan provided by TCIL as per the Sanctioned Scheme of Erstwhile BIFR which has to be repaid by arrangement through banks as early as possible. The rate of interest is SBI Base rate + 2.5% p.a			
3. Working capital support provided by TCIL are being adjusted against the realisation on revolving basis. The rate of interest is SBI Base rate + 2.5% p.a			
4. Both bridge loan and working capital support from TCIL are secured against all the fixed assets as well as current assets of the Company as at present existing and to be acquired in future.			
Note 13- Trade Payables			
Trade Payables (*)			
Secured	6,328,939	6,240,313	5,622,550
Unsecured	325,182	303,024	314,746
TOTAL	6,654,121	6,543,337	5,937,295
(*)			
1. As at 31st March 2017 and 31st March 2016 there are no dues to Micro, Small and Medium Enterprises and there are no interest due or outstanding on the same.			
2. Secured Payables of Rs. 63,28,939 (Previous year - Rs. 62,40,313) comprises of dues to TCIL towards raw material support.			
3. Secured against all the fixed assets as well as current assets of the Company as at present existing and to be acquired in future.			

(Rupees in Hundreds)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Note 14- Other Current Financial Liabilities			
Unsecured			
Dues to Related parties (*)	189,456	190,951	187,248
Others : Earnest Money Deposits, Security Deposits	13,109	28,444	28,444
TOTAL	202,565	219,395	215,693
(*)			
Consists of Royalty & Technical Know how fee payable to Fujikura Limited, Japan			
Note 15- Other Current Liabilities			
Interest accrued and due on borrowings from TCIL (Dues to Related Party)	285,737	148,736	267
Statutory dues payable	49,931	45,316	38,224
TOTAL	335,667	194,052	38,491
Note 16- Short term Provisions			
Provisions for Employee Benefits			
Gratuity	17,985	16,320	16,320
Leave encashment	14,673	14,616	14,616
Others	58,400	53,417	50,065
Provisions for Warranty period expenses	7,308	7,911	34,351
Provision for Onerous Loss	52,266	-	-
Provision for Expenses	41,972	46,253	58,962
TOTAL	192,603	138,517	174,315

TAMILNADU TELECOMMUNICATIONS LIMITED

(Rupees in Hundreds)

Particulars	As at 31st March 2017	As at 31st March 2016
Note 17- Revenue from operations		
a) Sale of Products		
(i) Inland Sales		
Finished Goods	264,479	466,753
Total Inland Sales of Products - (a)	264,479	466,753
b) Other Operating Revenues		
(i) Disposal of Scrap and Surplus / Unserviceable Stores	2,531	4,048
Total Operating Revenues (b)	2,531	4,048
Gross Revenue from Operations (c) = (a+b)	267,010	470,800
Excise Duty	29,668	52,234
Note 18- Other Income		
Interest Income		
Other Deposits	550	890
Other Non-Operating Income		
Insurance Claims	-	-
Sale of Tender Documents	-	-
Miscellaneous	236	-
TOTAL	786	890
Note 19- Cost of materials consumed		
Opening Stock	241,736	323,511
Add: Purchases	151,035	89,944
Add: Direct Expense	859	72,258
Less: Closing stock	246,722	241,736
TOTAL	146,907	243,977
Note 20- Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		
Opening Balance		
Work-in-progress	250,938	457,953
	250,938	457,953
Closing Balance		
Work-in-progress	212,775	250,938
	212,775	250,938
TOTAL	38,162	207,016

(Rupees in Hundreds)

Particulars	As at 31st March 2017	As at 31st March 2016
Note 21- Employee benefits expense		
Salaries and Wages	383,783	357,288
Contribution to Provident and Other Funds	-	-
Contribution to Provident Fund & ESI	34,309	30,798
Contribution to Gratuity	-	(13,936)
Others (Leave Encashment)	-	(324)
Staff Welfare Expenses	29,743	28,144
TOTAL	447,835	401,970
Note 22- Finance costs		
Interest Expense		
Bridge loan from TCIL	137,412	149,065
Other Borrowing Costs		
Others (On Raw materials / working capital support from TCIL)	638,397	666,790
Bank Charges	914	-
TOTAL	776,724	815,856
Note 23- Depreciation and amortization expense		
A. DEPRECIATION ON ASSETS	31,406	31,641
TOTAL	31,406	31,641
Note 24- Other expenses		
(a) Consumption of Stores & Spares	112	374
(b) Power & Fuel	34,133	43,492
(c) Rent	1,055	1,007
(d) Repairs to Building	1,716	169
(e) Repairs to Machinery	3,674	6,580
(f) Insurance	4,167	2,363
(g) Rates & Taxes (excluding income tax)	10,979	7,898
(h) Miscellaneous Expenditure		
Printing & Stationery	2,774	2,460
Postal & Telecommunications	2,019	2,309
Travelling & conveyance	4,589	3,600
Repairs & Maintenance - Others	2,042	1,633
Machinery Hiring Charges	1,307	2,167
Advertisement other than publicity	543	552
Upkeep charges	4,760	6,922
Professional and Consultancy Charges	9,476	7,336
Security Charges	7,465	7,020
Product Type Approval Charges	333	136
Entertainment & Business Promotion Expenses	3,123	2,232

TAMILNADU TELECOMMUNICATIONS LIMITED

(Rupees in Hundreds)

Particulars	As at 31st March 2017	As at 31st March 2016
AGM expenses - printing, postage, auditorium rent etc.,	8,547	8,847
Staff Training Expenses	4,163	7,806
Listing fee to Stock Exchanges	4,537	3,200
PF administration and inspection charges	3,777	3,451
Freight & insurance charges	586	1,977
Selling Expenses	1,554	1,951
Provision for warranty expenses	-	(26,440)
Provision for LD	59,320	-
Board Meeting Expenses (Travelling)	165	2,732
Annual Custodial fee to Depositories	4,851	1,612
Loss on Slow moving stock	6,639	132,178
Onerous Loss	52,266	-
Bad debts	-	-
Other miscellaneous expenses	1,518	2,026
(i) Net loss on foreign currency transaction and translation	(4,367)	5,613
(j) Payment to Auditors	-	-
Auditor services	1,000	1,000
For other services	2,705	450
TOTAL	241,526	244,656
Note 25- Exceptional Item		
Prior period expenses:		
- Materials consumed	-	-
- Employee benefits expense	-	-
- Other Expenses	-	-
- Rates and taxes	-	-
- Service tax	-	-
- LD	-	-
Loss on sale of Fixed Assets	1,939	473
Disallowance in Insurance Claim	45,470	-
Other Income		
TOTAL	47,409	473
Other Comprehensive Income		
Note 26- Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans;	-	-
- Gratuity	(40,418)	(36,111)
- Leave encashment	(7,064)	26,573
TOTAL	(47,482)	(9,537)

Note No.27 Notes to Accounts:**FIRST TIME ADOPTION OF IND AS**

(Rupees in Hundreds)

(i) Reconciliation of Equity from previous GAAP to IND AS is stated as under

Particulars	1-Apr-15	31-Mar-16
Equity as per previous GAAP	(3,754,956)	(5,350,382)
IND AS Adjustments:		
Prior period (expenses)/ Income charged to the respective year	(1,008)	23,895
Earnest Money Deposit Written back	22,921	
Provision for expenses Written back	4,747	
Prior period expenses pertaining to 2014-15 and prior to that year	(272,554)	
Remeasurement of defined benefit plan (Actuarial loss)		(9,537)
Surplus in Statement of Profit and Loss		(245,894)
Equity as per IND AS	(4,000,850)	(5,581,919)

(ii) Reconciliation of Net Profit for the year ended 31st March, 2016

Particulars	31-Mar-16
Profit After Tax as per IGAAP (A)	(1,595,426)
IND AS Adjustments:	
Purchases	1
Salaries and Wages	858
Contribution to Gratuity	(50,047)
Others (Leave Encashment)	26,249
Rates & Taxes (excluding income tax)	(212)
Professional and Consultancy Charges	(250)
Other miscellaneous expenses	247
Materials consumed	(1)
Employee benefits expense	(493)
Other Expenses	(247)
Total Adjustments (B)	(23,895)
Profit after tax as per IND AS [(A)-(B)]	(1,571,532)
Other Comprehensive Income/ (Loss)	
- Gratuity	(36,111)
- Leave encashment	26,573
Total Comprehensive Income as per IND AS	(1,581,069)

TAMILNADU TELECOMMUNICATIONS LIMITED

(iii) Reconciliation of Balance Sheet as at 01st April, 2015

(Rupees in Hundreds)

Particulars	Adjusted Previous IGAAP	IND AS Adjustment	IND AS Regrouping	As per IND AS
Non-current assets:				
1) Property Plant & Equipment	1,008,888	-	-	1,008,888
2) Capital work-in-progress	-			-
3) Investment Property	-			-
4) Other Intangible assets	-			-
5) Intangible assets under development	-			-
6) Investments in Joint Venture	-			-
7) Financial Assets	-			-
(i) Investments	-			-
(ii) Trade receivables	-			-
(iii) Loans	12,212	-	(12,212)	-
(iv) Others	-			-
8) Deferred tax assets (net)	-			-
9) Other non-current assets	-		12,212	12,212
Current assets:				
1) Inventories	778,691	-	-	778,691
2) Financial Assets	-			-
(i) Investments	-			-
(ii) Trade receivables	1,359,589	(248,757)		1,110,832
(iii) Cash and cash equivalents	15,633	-	-	15,633
(iv) Bank balances other than (iii) above	-			-
(v) Loans	141,591		(141,406)	185
(vi) Others	-			-
3) Current Tax Assets (Net)	-			-
4) Other currents assets	709,771	(23,797)	141,406	827,380
Total	4,026,374	(272,554)	-	3,753,820
EQUITY AND LIABILITIES:				
EQUITY:				
1) Equity Share capital	4,567,620	-	-	4,567,620
2) Other Equity	(8,322,576)	(245,894)		(8,568,470)
LIABILITIES				
Non-current liabilities:				
1) Financial Liabilities	-			-
(i) Borrowings	-			-
(ii) Trade payables	-			-
(iii) Other financial liabilities	-			-
(2) Long Term Provisions	217,467	-	-	217,467
3) Deferred tax liabilities (Net)	-			-
4) Other non-current liabilities	-			-
Current Liabilities:				
1) Financial liabilities	-			-
(i) Borrowings	1,171,410			1,171,410
(ii) Trade payables	5,959,698	(22,403)		5,937,295
(iii) Other financial liabilities	-		215,693	215,693
2) Other current liabilities	254,184		(215,693)	38,491
3) Provisions	178,572	(4,257)		174,315
4) Current Tax Liabilities (Net)	-			-
Total	4,026,374	(272,554)	-	3,753,820

(iv) Reconciliation of Balance Sheet as at 31st March, 2016

(Rupees in Hundreds)

Particulars	Adjusted Previous IGAAP	IND AS Adjustment	IND AS Regrouping	As per IND AS
Non-current assets:				
1) Property Plant & Equipment	9,77,971	-	-	9,77,971
2) Capital work-in-progress	-	-	-	-
3) Investment Property	-	-	-	-
4) Other Intangible assets	-	-	-	-
5) Intangible assets under development	-	-	-	-
6) Investments in Joint Venture	-	-	-	-
7) Financial Assets	-	-	-	-
(i) Investments	-	-	-	-
(ii) Trade receivables	-	-	-	-
(iii) Loans	8,906	-	(8,906)	-
(iv) Others	-	-	-	-
8) Deferred tax assets (net)	-	-	-	-
9) Other non-current assets	-	-	8,906	8,906
Current assets:				
1) Inventories	3,57,722	-	-	3,57,722
2) Financial Assets	-	-	-	-
(i) Investments	-	-	-	-
(ii) Trade receivables	12,06,425	(2,48,757)	-	9,57,668
(iii) Cash and cash equivalents	20,706	-	-	20,706
(iv) Bank balances other than (iii) above	-	-	-	-
(v) Loans	1,05,495	-	(1,05,310)	185
(vi) Others	-	-	-	-
3) Current Tax Assets (Net)	-	-	-	-
4) Other currents assets	7,09,768	(23,586)	1,05,310	7,91,492
Total	33,86,993	(2,72,342)	-	31,14,651
EQUITY AND LIABILITIES:				
EQUITY:				
1) Equity Share capital	45,67,620	-	-	45,67,620
2) Other Equity	(99,18,002)	(2,31,537)	-	(1,01,49,539)
LIABILITIES				
Non-current liabilities:				
1) Financial Liabilities	-	-	-	-
(i) Borrowings	-	-	-	-
(ii) Trade payables	-	-	-	-
(iii) Other financial liabilities	-	-	-	-
2) Provisions	2,27,004	(14,753)	-	2,12,251
3) Deferred tax liabilities (Net)	-	-	-	-
4) Other non-current liabilities	-	-	-	-
Current Liabilities:				
1) Financial liabilities	-	-	-	-
(i) Short term Borrowings	13,89,018	-	-	13,89,018
(ii) Trade payables	65,65,740	(22,403)	-	65,43,337
(iii) Other financial liabilities	-	-	2,19,395	2,19,395
2) Other current liabilities	4,13,447	-	(2,19,395)	1,94,052
3) Provisions	1,42,166	(3,649)	-	1,38,517
4) Current Tax Liabilities (Net)	-	-	-	-
Total	33,86,993	(2,72,342)	-	31,14,651

TAMILNADU TELECOMMUNICATIONS LIMITED

Note 27

Notes to Accounts:

(All amount in Rs.'00s)

- 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. 3,39,505 (previous year Rs. 3,39,505) 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 High Court. Last hearing was held on 01/03/2017. Now the matter is posted on list of final hearings of High court.
 - b. No provision is made for Rs. 13,397 (previous year Rs. 13,397) 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 erstwhile 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 erstwhile 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.15,97,011 and successfully executed the order in time and got 50% add-on order of 1602 KMs and executed during 2013-14 valuing Rs.7,98,007. 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. 31,90,444.. 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. 1,595,273. 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 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. At present orders in hand as on 31.03.2017 to be executed within 3 to 4 months works out to Rs.5.18 crs. The order booking position is expected to improve in future. Company is also exploring possibility of getting orders through contract manufacturing basis from PSUs under ministry of communication. Considering the scope during the immediate future and TCIL's financial support, the accounts have been prepared on going concern basis.
- 4 **Land:**
 - a) The Company is currently in possession of 2.42 acres of land acquired from CMDA. In respect of the said 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 for which due clearances were received from all the banks of the consortium. The Company is following up with SBI, in this regard.
 - b) The Company is also in possession of 7.36 acres of free hold land of the Tamilnadu State Government. The cost of land determined by the Government in 2010 was paid by the Company. Land delivery receipt was issued to the Company by the Government. In the case of TN Government land, it is to be utilized for the purpose for which it is allotted.

5 As per Indian Accounting Standard 19 "Employee Benefits", the disclosures of Employee benefits are given below:

A) Defined contribution Plan

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

(Rupees in Hundreds)

	2016-17	2015-16
Employer's Contribution to Provident Fund	24,049	20,622
Employer's Contribution to Pension Scheme	9,960	10,176

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 erstwhile 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 Ind AS 19

a) Change in benefit obligations:

(Rupees in Hundreds)

Particulars	Gratuity Plan 2016-17	Gratuity Plan 2015-16
Projected benefit obligation, beginning of the year	1,72,655	1,37,387
Service Cost	8,013	7,770
Interest cost	13,812	10,991
Actuarial (gain)/loss	16,928	16,508
Benefits paid	-	-
Projected benefit obligation, end of the year	2,11,408	1,72,656

b) Change in plan assets – Unfunded

c) Reconciliation of present value of the obligation :

(Rupees in Hundreds)

Particulars	2016-17	2015-16
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	2,26,766	1,86,842
Liability recognized in the balance sheet	2,26,766	1,86,842

TAMILNADU TELECOMMUNICATIONS LIMITED

d) Gratuity cost for the year ended March 31, 2017

(Rupees in Hundreds)

Particulars	Gratuity Plan 2016-17	Gratuity Plan 2015-16
Service cost	8,013	7,770
Interest cost	13,812	10,991
Expected return on plan assets	-	-
Actuarial (gain)/loss	16,928	16,508
Net cost	38,754	35,269
Actual return on plan assets	Nil	Nil

Particulars	2016-17	2015-16
Discount rate	7.5%	8.00%
Salary escalation rate	4.00%	4.00%
Estimated rate of return on plan assets	8.00%	8.00%

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.

The following table set out the status of the Leave Benefit plan as required under Ind AS 19

a) Change in benefit obligations:

(Rupees in Hundreds)

Particulars	Leave Benefit Plan 2016-17	Leave Benefit Plan 2015-16
Projected benefit obligation, beginning of the year	39,595	66,986
Service cost	4,776	3,648
Interest cost	3,168	5,359
Actuarial (gain)/loss	(937)	(36,398)
Benefits paid	(3,563)	-
Projected benefit obligation, end of the year	43,039	39,595

b) Change in plan assets – Unfunded

c) Reconciliation of present value of the obligation :

(Rupees in Hundreds)

Particulars	2016-17	2015-16
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	43,038.82	39,595.44
Liability recognized in the balance sheet	43,038.82	39,595.44

d) Leave Benefit cost for the year ended March 31, 2017

(Rupees in Hundreds)

Particulars	Leave Benefit Plan 2016-17	Leave Benefit Plan 2015-16
Service cost	4,776	3,648
Interest cost	3,168	5,359
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Net cost	7,943	9,007
Actual return on plan assets	Nil	Nil

Particulars	2016-17	2015-16
Discount rate	7.5%	8.00%
Salary escalation rate	4.00%	4.00%
Estimated rate of return on plan assets	Nil	Nil

- 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. The treatment noted above is in accordance with the Indian Accounting Standard 12 "Taxes on Income/Income Taxes" notified under Section 133 of the companies Act, 2013.
- 7 Work-in-Progress under Inventories as on 31.03.2017 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.
- b) As stipulated in Ind AS – 36, 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 is manufacturing OF cables only and no other business was undertaken during the year 2016-17.

10 CONTINGENT LIABILITIES

- (a) Claims against the company not acknowledged as debt:
- (i) Commercial Tax Department had demanded a sum of Rs.1,86,088 as Additional Sales Tax in respect of Financial Year 2000-2001 and 2001-2002 (up to November 2001). The company has obtained a Stay from Madras High Court against the collection of above demand by depositing a sum of Rs.75,000 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. The writ petition were heard by High Court, Madras, on 02-09-2015 and on 09-09-2015. On hearing the argument single Judge of High court Madras reserved the judgement. Orders are still not given by the Court.
- (ii) The Sales Tax department has demanded a sum of Rs. 22,950 during the financial year 2006-07 for non submission of "C" Forms from BSNL / MTNL pertaining to AY 2001-02, 2002-03 and 2003-04. The Government has exempted "C" forms in respect of inter-state sales to BSNL / MTNL. The company has represented to the Department and also referred the matter to BSNL / MTNL. Next hearing date is not yet fixed.
- (iii) The Customs Authority has demanded an amount of Rs. 31,552 towards difference in classification of Optical Fibre during the year 2006-07. However the order of the Commissioner of Customs has come in favour of the Company during the year 2009-10 dropping the proceedings. Department has gone for appeal against the order. The company has filed the Counter.

TAMILNADU TELECOMMUNICATIONS LIMITED

- (b) Guarantees:
Guarantees arranged by TCIL in favour of the Company and issued by Banks outstanding as at March 31, 2017 is Rs. 7,05,525 including expired Bank Guarantees to the extent of Rs. 2,51,639. (previous year Rs. 7,44,547 including expired Bank Guarantees to the extent of Rs. 88,639)
- 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.25,422 (for the years 2000-01 & 2001-02). The company, has however, paid the entire amount of demand, out of which Rs. 21,937 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.1,39,913. The case is pending in Madras High Court.
- 15 Earnings per share:
- | Particulars | 2016-17 | 2015-16 |
|--|-------------|-------------|
| Net Profit / (Loss) after tax as per the Statement of Profit & Loss (Rs.) | (1,626,876) | (1,581,069) |
| Weighted average number of equity shares used as denominator for calculating EPS | 4,56,762 | 4,56,762 |
| Basic and diluted earnings per share (Rs.) | (3.56) | (3.46) |
| Face value per equity share (Rs.) | 10 | 10 |
- 16 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.7,47,239. Out of this, cost of WIP inventories amounting to Rs.6,24,706 (excluding excise duty, salvage value and including reimbursement of actual expenditure of Rs.839) was accounted as other income during the year ended 31.03.2015. The insurance company has conveyed on 14th May 2016 its admittance of the claim for reduced amount of Rs.6,50,000 (including excise duty of Rs. 70,764), which is since received by the Company on 24.05.2016. The balance amount of Rs. 45,470 (Rs. 6,50,000 – 70,764 – 6,24,706) is charged off in the Statement of Profit and Loss for the year ended 31.03.2017.
17. (i) 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. Initially the case was filed in Delhi High Court against the APO. Now the matter is transferred from Delhi High court to District court (Patiala House) for deciding the APO. Now the matter is in progress. Last hearing was held on 29/04/2017. The next date hearing has been fixed on 15/07/2017
- (ii) 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 . The case is in progress under the Supreme Court of India. The next hearing is fixed on 05/07/2017
- 18 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
- 19 Related Party Disclosures : Disclosures as required by the Ind AS-24 "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 (upto 30.11.2016)
 2. Shri. R. Devakumar, Managing Director (from 01.12.2016)
 3. Shri.T.S Sivaramkrishnan, General Manager (F&A) (from 6.8.2015 to 30.12.2016)
 4. Shri. J.Ramesh Kannan, General Manager (F&A) (from 31.12.2016)
 5. Shri. Ajay Shukla, Company Secretary from 26.06.2015

a. Transaction with Related Parties : (Rupees in Hundreds)

Name of the Transaction	Associate Companies				Key Management Personnel	
	M/s. Fujikura Ltd. Japan		M/s. TCIL, New Delhi		2016-17	2015-16
	2016-17	2015-16	2016-17	2015-16		
01. Purchase of Raw Material / Capital Goods	12,366	-	99,251	74,079	-	-
02. Managerial Remuneration	-	-	-	-	60,871	59,472
03. Outstanding Balances including supply credits As on 31 st March	1,89,456*	1,90,904*	69,48,442	64,63,992	-	-
04. Secured Loans as on 31 st March	-	-	14,51,467	13,14,553	-	-

* Movement in balance includes exchange rate fluctuation

20. Segment Reporting:

There is no reportable operating segment in terms of Paragraph number 13 of Ind AS 108 – Operating Segments

21. In view of the commitment by the company to pay Telecommunications Consultants India Limited (the holding company) on demand basis, the company has taken a conservative approach to reflect the amount due of Rs.83,99,908 at book value and not at fair value. Further since the aforesaid financial liabilities are current in nature there would only be an immaterial finance cost/income involved, on account of restatement of the balances to fair value.

22. Figures of previous year have been regrouped/rearranged, wherever necessary, to conform to the current year's classification.

23 Particulars of Imports, Consumption etc.,

a) Value of imports during the year - CIF Basis (Rupees in Hundreds)

Item	Amount	
	2016-17	2015-16
I. Raw Materials	16,126	14,330

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

Item	Amount	
	2016-17	2015-16
I. Raw materials and spares	5,242	24,681

c) Consumption of imported and indigenous raw materials, spare parts and components (Rupees in Hundreds)

Item	2016-17		2015-16	
	Amount	% to total consumption	Amount	% to total consumption
I. Direct Imports:				
a) Raw materials	53,082	36.10	14,891	6.10
b) spare parts and components	-	-	-	-
II. Imports through TCIL:				
a) Raw materials	-	-	47,973	19.63
b) spare parts and components	-	-	-	-
III. Indigenous:				
a) Raw materials	93,825	63.82	1,81,113	74.12
b) Spare parts and components*	112	0.08	374	0.15
TOTAL	1,47,019	100.00	2,44,351	100.00

* Spare parts and components of Rs.11,192/- is debited in other expenses

TAMILNADU TELECOMMUNICATIONS LIMITED

d) Amount remitted in foreign currency during the year

(Rupees in Hundreds)

Item	Amount	
	2016-17	2015-16
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)

(Rupees in Hundreds)

Item	Amount	
	2016-17	2015-16
I. Export of goods - FOB Basis	10,000	2,248

f) Dividends proposed to be distributed

(Rupees in Hundreds)

Item	Amount	
	2016-17	2015-16
I. Equity Shares:		
(a) Proposed amount per share	-	-
(b) Period to which the dividend is related	-	-
	-	-

g) Raw Materials Consumed

(Rupees in Hundreds)

Item	UOM	2016-17		2015-16	
		Quantity	Amount	Quantity	Amount
Fiber	KM	12,805	52,309	12,814	53,262
FRP	KM	375	6,160	591	7,872
HDPE	Kgs	44,726	43,575	81,260	88,202
Steel Tapes	Kgs	20,240	25,546	15,036	21,760
Others			19,316		72,881
TOTAL			1,46,906		2,43,977

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

Particulars	2016-17		2015-16	
	Foreign Currency	Amount (Rupees in Hundreds)	Foreign Currency	Amount (Rupees in Hundreds)
Import creditors / Technology transfer fee	USD 191,690.00	1,24,349	USD 191,690.00	1,27,215
Import creditors through TCIL	USD 49,140.00	31,877	-	-
Export Debtors	USD 24,522.29	15,908	USD 39,374.51	26,131

24. Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as given below:

Amount in Rupees

	SBNs		Other denomination notes	Total
	Denominations	Amount		
Closing cash in hand on 8 th November 2016	1,000*5 500*2	6,000	2,527	8,527
(+) Permitted Receipts	-	-	66,066	66,066
(-) Permitted Payments	1,000*5 500*2	6,000	57,267	63,267
(-) amount deposited in banks	-	-	-	-
Closing cash in hand on 30 th December 2016	-	-	11,326	11,326

As per our Report of even date attached
For S.Venkatram & Co
 Chartered Accountants
 Firm's Registration Number : 004656S

R. Kandavelu
 Partner
 Membership No. 12811

Place : Chennai
 Date : 29.05.2017

For and on behalf of Board of Directors of
 Tamilnadu Telecommunications Limited

J. Ramesh Kannan
 GM (Finance)

B. Elangovan
 Director

R. Deva Kumar
 Managing Director

Ajay Shukla
 Company Secretary

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 29th Annual General Meeting of the Company to be held on Friday, the 22nd day of September 2017 at 10.15 a.m. at Mylapore Fine Arts Club, 45 Musiri Subramaniam Road, Mylapore, Chennai-600 004.

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:
--	--	---

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 29th Annual General Meeting of the company, to be held on Friday, the 22nd day of September 2017 at 10.15 a.m. at Mylapore Fine Arts Club, 45 Musiri Subramaniam Road, Mylapore, Chennai-600 004 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, 2017, Directors' and Auditors' Report		
2.	Re-appointment of Director, Shri. B. Elangovan (DIN 00133452) retiring by rotation		
3.	Re-appointment of Director, Shri. M.S.Shanmugam (DIN 02475286) retiring by rotation		

Signed this.....day of.....2017.

Signature of Shareholder

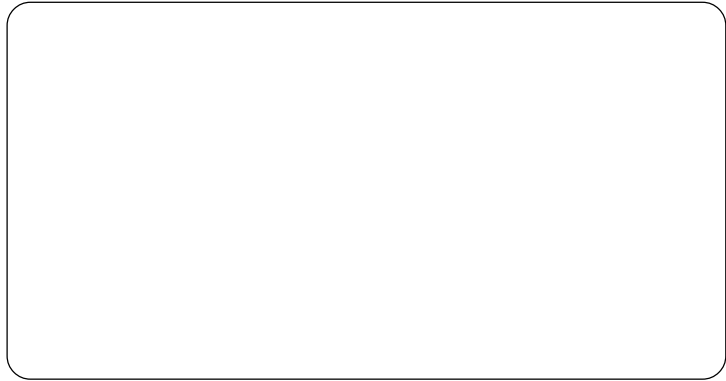
Signature of Proxy holder(s)

Affix
Revenue
Stamp

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



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