

TAMILNADU TELECOMMUNICATIONS LIMITED
(A Joint Venture of TCIL, Govt of India Enterprise & TIDCO, Govt of Tamilnadu Enterprise)
No.16, First Floor, Aziz Mulk 3rd Street, Thousand Lights, Chennai - 600 006
Unaudited Financial Results for the quarter ended on 31st December, 2011

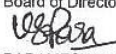
Sl.No	PARTICULARS	(Amounts in Lakhs of Rupees)				
		Three months ended		For the 9 months ended		Year ended
		31st Dec 2011	31st Dec 2010	31st Dec 2011	31st Dec 2010	31st March 2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	a) Net Sales	249.17	59.68	897.32	1,002.93	1,364.04
	b) Increase/(Decrease) in stock produced	(104.66)	211.41	136.88	260.45	242.64
	Income from Manufacturing operations(a+b)	144.51	271.09	1,034.20	1,263.38	1,606.68
2	Other Income	7.71	5.56	31.47	45.10	59.10
3	Total Expenditure					
	a) Consumption of Raw Materials	116.92	205.53	998.90	992.37	1,233.33
	b) Staff Cost	79.93	73.79	226.35	219.61	290.55
	c) Other expenditure	41.72	44.38	171.42	183.27	246.30
	d) Extra-ordinary item	25.98	0.37	25.98	(0.54)	6.31
4	Interest	170.89	64.06	389.19	201.46	294.97
5	Depreciation	59.56	60.20	177.54	179.81	238.77
	Amortization of VSS Expenditure	—	0.85	—	2.55	3.40
6	Profit / (Loss) before Tax (1+2-3-4-5)	(342.78)	(172.53)	(923.71)	(470.05)	(647.85)
7	Provision for taxation	—	—	—	—	—
8	Net Profit / (Loss) (6-7)	(342.78)	(172.53)	(923.71)	(470.05)	(647.85)
9	Paid-up equity share capital (Face Value Rs.10 each)	4,567.62	4,567.62	4,567.62	4,567.62	4,567.62
10	Reserves excluding revaluation reserves	1,078.11	529.37	1,078.11	529.37	1,078.11
11	Earnings per share (in Rupees)	(0.75)	(0.38)	(2.02)	(1.03)	(1.42)
12	Aggregate of non-promoters shareholding					
	No. of shares	16613300	16613300	16613300	16613300	16613300
	Percentage of shareholding	36.37	36.37	36.37	36.37	36.37
13	Promoters and Promoter group shareholding					
	No. of shares pledged / Encumbered	Nil	Nil	Nil	Nil	Nil
	Percentage of shares pledged / Encumbered	Nil	Nil	Nil	Nil	Nil

Notes:

- The above result was approved by the Committee of the Board of Directors on 14.02.2012. The Statutory Auditors have carried out Limited Review of the above Financial Results, pursuant to clause 41 of the Listing Agreement.
- The Accumulated losses of the company had exceeded its net worth. BIFR has already approved a Sanctioned Scheme for the Company and the Company is under re-habilitation period and is being monitored by BIFR through the Monitoring Agency. Present scenario is due to the dull phase of OFC market and is expected to improve in near future as the Government has announced coverage of broad band in villages etc.,. The requirement of OFC is likely to be enormous. OFC market is expected to grow tremendously in near future. The Company is also awaiting order of around Rs. 16 crores from BSNL as the Company landed up at L2 position in the tender after e-reverse auction. Revised DRS is being under preparation. In view of this, the accounts have been prepared on going concern basis.
- No provision is made for certain long pending debtors in view of the arbitration proceeding completed against the Purchaser for which Award is received in favour of the Company but has since been challenged by the Purchaser in the Court. Court remitted back to the Arbitrator and the proceedings are in progress.
- Deferred tax: During the period 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 virtual certainty of the company making profits 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 losses and carried forward depreciation under the tax laws have been ignored for creating the deferred tax asset considering the same above reason.
- Provision for employee benefits has been made on estimated basis
- Previous period's amounts are regrouped and rearranged wherever necessary
- Same Accounting Policies that of corresponding period of last year has been followed and as such, there is no change in accounting policies.
- At the beginning of the quarter, there was no investors complaints pending. During the quarter no complaints were received.
- Segment Reporting: The company's business activity falls within a single primary business segment viz., telephone cables. Since export sales exceeds 10% of the total sales, segment disclosure requirement of Accounting Standard 17 with respect to Geographical segment disclosed:

Sl.No	PARTICULARS	(Amounts in Lakhs of Rupees)				
		Three months ended		For the 9 months ended		Year ended
		31st Dec 2011	31st Dec 2010	31st Dec 2011	31st Dec 2010	31st March 2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue (Net Sales):					
	(a) Exports	18.45	0	174.69	13.37	134.37
	(b) Domestic	230.72	59.68	722.63	989.56	1,229.67
	Total	249.17	59.68	897.32	1,002.93	1,364.04
	Less: Inter Segment Revenue	0	0	0	0	0
	Net Sales	249.17	59.68	897.32	1,002.93	1,364.04
2	Segment Results : Unallocated	(342.78)	(172.53)	(923.71)	(470.05)	(647.85)
3	Capital Employed:					
	(Segment Assets - Segment Liabilities)					
	(a) Exports	86.44	41.84	86.44	41.84	72.52
	(b) Domestic	596.51	1640.73	596.51	1640.73	1412.94
	Total	682.95	1682.57	682.95	1682.57	1485.46

For and on behalf of the Board of Directors


V.S. PARAMESWARAN
Managing Director

Place : Chennai
Date : 14.02.2012



M. Kuppuswamy P S G & Co
Chartered Accountants

54/3, C.P. Ramaswamy Road,
Abhiramapuram,
Chennai - 600 018
Phone : 044-24987268 / 8168
Fax : 044-42013672
e-mail : audit@mkpsg.com
URL : www.mkpsg.com

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Board of Directors
TAMIL NADU TELECOMMUNICATIONS LTD
Chennai.

Introduction

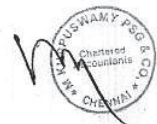
We have reviewed the accompanying Balance Sheet of Tamilnadu Telecommunications Ltd as of December 31, 2011 and the related statements of Profit & Loss and Cash Flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes. The disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" have been traced from disclosures made by the management and have not been reviewed by us. The Management is responsible for the preparation and fair presentation of this interim financial information in accordance with generally accepted accounting principles in India. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

1. *The company has not provided for deferred tax liability to the extent of Rs.2, 01, 98,959/- in respect of the timing difference on the depreciation of fixed assets. This information indicates that if the deferred tax liability was provided on December 31, 2011, deferred tax liability would increase by Rs. 2, 01, 98,959/- and the net loss for the*



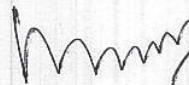
nine months ended 31st December 2011, would increase by Rs. 2, 01, 98,959/-.
Consequently the Earnings per Share would increase to Rs. (2.46).

2. After taking in to account the net loss for the period under review, the accumulated losses of the company has exceeded its net worth. The company has however prepared the Financial Statements on the basis of a "Going Concern".

Qualified Conclusion

Based on our review conducted as above, *subject to the effects of our observations in paragraphs 1 and 2*, nothing has come to our attention that causes us to believe that the accompanying interim financial information prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006,] and other recognized accounting practices and policies, does not give a true and fair view of the State of Affairs of the entity as at December 31, 2011 and of its Results of Operations and its cash flows for the nine month period then ended.

For **M.KUPPUSWAMY PSG & CO**
Chartered Accountants
FRN: 001616S



M.K.Krishnan
Partner
M.No: 020116

Place: Chennai

Date: 14-02-2012

