

# **Tamilnadu Telecommunications Limited**

**35<sup>th</sup> Annual Report  
2022-2023**

## TABLE OF CONTENTS

|   | Page No |
|---|---------|
| Notice to Share holders                                   | 1       |
| Board's Report  | 13      |
| Report on Corporate Governance                            | 28      |
| Secretarial Audit Report                                  | 36      |
| Independent Auditors' Report                              | 42      |
| Note No.01 (Statement of Significant Accounting Policies) | 51      |
| Balance Sheet   | 54      |
| Statement of Profit & Loss                                | 55      |
| Cash Flow Statement                                       | 57      |
| Notes forming part of the Accounts                        | 58      |

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| Board of Directors                | Shri.D. Porpathasekaran<br>Shri. J.Ramesh Kannan<br><br>Shri. B.Elangovan<br>Shri. R.Karthikeyan<br>Mrs. Alka Selot Asthana   | (DIN:09612667)<br>(DIN: 09292181)<br><br>(DIN:00133452)<br>(DIN:00824621)<br>(DIN:10064149) | - Chairman and Director<br>- Managing Director &<br>Chief Financial Officer<br>- Director<br>- Director<br>- Director |
| Company Secretary                 | : Ms. Swapnil Gupta   |   |   |
| Registered Office                 | : No.16, 1st Floor, Aziz Mulk 3rd Street,<br>Thousand Lights, Chennai – 600 006.<br>CIN : L32201TN1988PLC015705<br>Telefax : 044-28292653, Website : www.ttllofc.in   |   |   |
| Factory                           | : E 18B – E24, CMDA Industrial Complex,<br>Maraimalainagar – 603 209, Tamilnadu   |   |   |
| Statutory Auditors                | : M/s. V NARAYANAN & CO, Chartered Accountants,<br>23, C.V.Raman Road, Alwarpet, Chennai -600018.   |   |   |
| Secretarial Auditors              | : Mr. Tarun Saini,<br>M/s. TarunSaini & Associates, (A Peer Reviewed Firm From ICSI),<br>Membership No:11067 & COP No:11990,<br>office at 10/58, LGF, VikamVihar, Lajpat Nagar-IV, New Delhi-110024.  |   |   |
| Internal Auditors                 | : Mr. V SaiSelvam<br>M/s. RITS & Associates, Chartered Accountants,<br>office at A1, Alsa Arcade, B9, 2nd Avenue,<br>Anna Nagar East, Chennai-600 102   |   |   |
| Promoters                         | : Telecommunications Consultants India Limited,<br>'TCIL BHAWAN', Greater Kailash – I, New Delhi – 110 048.<br><br>Tamilnadu Industrial Development Corporation Limited,<br>19-A, Rukmani Lakshmiipathy Road,<br>Egmore, Chennai – 600 008. |   |   |
| Registrar & Share Transfer Agents | : Cameo Corporate Services Limited,<br>"Subramanian Building" No.1, Club House Road,<br>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 download your copy of the Annual Report from the website of the company.

## TAMILNADU TELECOMMUNICATIONS LIMITED

### NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of Tamilnadu Telecommunications Limited is to be held at 11.30 a.m. on Tuesday, 26th September 2023 in the TCIL Bhawan, Greater Kailash-I, New Delhi - 110048, through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") 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 2023 including the Audited Balance Sheet as at 31st March 2023, 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 and in this regard, pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the year ended March 31, 2023, which comprise the Audited Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including the statement of other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered, approved and adopted".

02. To appoint a Director in place of Shri D. Porpathasekaran (DIN 09612667), who retires by rotation and being eligible, offers himself for re-appointment and pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri D. Porpathasekaran (DIN 09612667), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

03. To appoint a Director in place of Shri. B. Elangovan, (DIN 00133452), who retires by rotation and being eligible, offers himself for re-appointment and pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri. B. Elangovan, (DIN 00133452), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

04. To fix the remuneration of the Statutory Auditors for the financial year 2023-24.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** the fee for the Statutory Audit be and is hereby approved at Rs.1,00,000/- (One Lac only) plus applicable taxes for the year 2023-24 to the Statutory Auditors of the Company as appointed by CAG."

**RESOLVED FURTHER THAT** the Company Secretary or any Director of the Company be and is hereby also authorized to do all such acts, deeds, matters, things & writings as may deem fit, proper, expedient or necessary to give effect to the said resolution."

### Special Business

05. Approval for Grant of Lease of the manufacturing facilities and premises of TTL Factory through tender and advertisement on lease cum revenue sharing model.

To consider and, if thought fit, to pass with or without modification(s) if any, the following Resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 180 of the Companies Act, 2013 read with relevant rules made thereunder, and any other applicable provisions, including any modifications) thereto or re-enactment(s) thereof for the time being in force, subject to the provisions of the Memorandum and Articles of Association of the company and subject to the consent of the members by way of special resolution and subject to such other approvals, sanctions, consents and permissions as may be necessary to be obtained, the consent of the Board be and is hereby accorded to lease the manufacturing facilities and entire factory premises of 9.78 acres (factory area and vacant land) to M/s Grün Maschinen Und Technik Private Limited, Chennai,a SPV constituted by Consortium of M/s.G.M.T. Enterprises FZC, UAE (Lead Bidder and a foreign entity),M/s.Middle East Engineering Services LLC, Oman, M/s.Anji Engineering Solutions Private Limited, Chennai and M/s.Attadus Inc, USA on including contracts, licenses, permits, rights, obligations, consents and approvals relating to the said factory premises on revenue sharing model plus fixed monthly lease rent, as per agreed payment terms, with effect from agreement date, in such manner and on such terms and conditions as may be prescribed in the agreement within the power to the Board to finalize and execute all the required documents/agreement,

## TAMILNADU TELECOMMUNICATIONS LIMITED

memoranda, and any other incidental documents with such modifications as may be required from time to time subject to approval of shareholders."

**"RESOLVED THAT** Shri J Ramesh Kannan, Managing Director (DIN 09292181) on behalf of the board be and is hereby authorized to execute all documents, deeds or writings as may be necessary in relation to the above leasing and revenue sharing business model and to make applications to the regulatory and governmental authorities for the purpose of obtaining all approvals and sanctions if required to be obtained by the company in this regard."

**"RESOLVED FURTHER THAT** Shri J Ramesh Kannan, Managing Director (DIN 09292181) on behalf of the board be and is hereby authorized to do all acts and deeds as may be necessary, proper, desirable and/or expedient to give effect to this resolution, to settle any questions, difficulties or doubts that may arise in regard to such leasing of the factory premises as they may in their absolute discretion deem fit and as may be necessary for the completion of the transaction as aforesaid in the best interest of the company."

**"RESOLVED FURTHER THAT** Managing Director or any director be and are hereby authorized to file all relevant and necessary returns /forms under the Companies Act 2013 and SEBI LODR Regulations, 2015."

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

Place: Chennai  
Date: 01.09.2023

J.Ramesh Kannan  
Managing Director  
(DIN 09292181)

To

1. All the members of the Company
2. Auditors

### NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and File No. Policy17/57/2021-CL-MCA dated December 28, 2022. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. An explanatory statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto.
3. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
5. Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to acstarunsaini@gmail.com/legalhimanshu@gmail.com with a copy marked to ttlcosec@gmail.com.
6. In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before 22nd September 2023 through email on mdpa2018ttl@yahoo.com or ttlcosec@gmail.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
8. The Company's Registrar and Share Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. Cameo Corporate services Limited, having their office premises at "Subramanian Building" 5th Floor, No.1, Club House Road, Chennai – 600 002, Email: cameo@cameoindia.com Phone: 044-28460390 Fax: 044-28460129. The Register of Members and Transfer Books of the Company will be closed from 20th September, 2023 to 26th September, 2023 (both days inclusive).
9. In compliance with the aforesaid MCA Circulars and SEBI Circular No.17/2020 dated May 12, 2020, Notice the Notice calling the AGM/EGM has been uploaded on the website of the Company at <https://www.ttlcofc.in>. The Notice can also be accessed from the websites of the

## 35th Annual Report 2022-2023

- Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
10. Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, transfer and Refund) Rules, 2016 as amended, dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF) administered by the Central Government. As on date, there are no unclaimed dividends.
  11. 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 their PAN to their Depository Participants with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company along with the proof thereof.
  12. Members holding shares in physical form are requested to advise any change of address and are also to submit their specimen signatures duly attested by their Bank immediately to the Company. Members holding shares electronically in dematerialized form must advise any change of address to their respective Depository Participant.
  13. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rules thereon. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to M/s.Cameo Corporate Services Ltd, at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
  14. Members holding shares in physical form requested to intimate any change of bank mandate to M/s. Cameo Corporate Services Ltd to the Company immediately.
  15. SEBI vide notification No.SEBI/LD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of Listing Regulations, mandating transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) which shall be effective April 1, 2020. Accordingly requests for transfer of securities of listed entities shall not be processed unless the securities are held dematerialised form with depositories. In view of the same Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management.
  16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
  17. In terms of Regulations 26(4) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the secretarial standard -2 on "General Meeting, the particulars of Directors seeking to be re-appointed /appointed in this AGM, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholding and relationship with other directors of the Company are given below. Members are requested to kindly refer the Chapter on Corporate Governance in the Annual Report.
  18. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
  19. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.
  20. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1 April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

## TAMILNADU TELECOMMUNICATIONS LIMITED

21. **Explanatory Statement-Details of the Directors proposed for reappointment pursuant to Regulation 36 (3) of SEBI Listing Regulations and SS-2 issued by ICSI.** In terms of Section 152 of the Act, **Shri.D.Porpathasekaran (DIN 09612667) and Shri.B. Elangovan, (DIN 00133452)**, retires by rotation at this Meeting and being eligible, offers themselves for re-appointment. The Board of Directors of the Company recommends them re-appointment. Details of the Director proposed to be re-appointed as required in terms of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, are provided below.

**A. Shri.D.Porpathasekaran (DIN 09612667)**, aged 55 years has been in the Board of the Company since April 2021. **Shri.D.Porpathasekaran**, Director (Technical) of TCIL is an officer of Indian Telecommunication Service, 1988 batch and holds Bachelor's degree in Electronics and Communication Engineering from Bharathiyar University and MBA in International Business from Alagappa University. He was working as Executive Director (IT & Telecom), TCIL before taking over as Director (Technical). He has experience of more than 33 years in all spheres of Telecom and worked in various organizations viz ITI/DOT/BSNL/TCIL/ICSIL. He has worked in various parts/regions of India and Abroad.

On deputation to TCIL from 2001 to 2006, he worked as Project Director, Tamilnadu, Southern Region, Project Leader, Nigeria and Project Director (ICSIL-Kuwait) and handled various Turnkey projects and Operation and Maintenance of Telecom Networks. He was deputed to foreign countries on various assignments like training, attending workshop, Tech Expos and Validation etc., to Japan, Australia, Finland, Maldives and Singapore.

He is ever willing and has been carrying out his responsibility with due diligence and devotion in an exemplary manner leading his team by example throughout his career.

The details of Directorships / Committee Membership in other companies are below:

| Name of the Companies                           | Nature of Interest  |
|---|---------------------|
| Telecommunications Consultants India Limited    | Whole time Director |
| Intelligent Communication Systems India Limited | Director            |

**B. Shri. B. Elangovan, (DIN 00133452)**, aged 59 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 are below:

| Name of the Companies                     | Nature of Interest |
|---|--------------------|
| Arkonam Castings and forgings Limited     | Nominee Director   |
| Tamilnadu polymer industries park Limited | Nominee Director   |
| Chennai Aerospace Park Limited            | Nominee Director   |

### 22. Key Point

- The Meeting shall be deemed to be held at the registered office of the Company at No.16, 1st Floor, Aziz Mulk 3rd Street, Thousand Lights, Chennai – 600006.
- Since the AGM will be held through VC /OAVM, the route map to the venue is not annexed to this Notice.
- The Notice of the 35th AGM along with the Annual Report of 2022-23 is being sent by electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, a physical copy may not be sent by any permitted mode. To support the 'Green Initiative' Members who have not registered their email addresses are required to register the same with the Company/ Depository. Members may note that this Notice and the Annual Report 2022-23 will also be available on the Company's website viz. [www.ttlfc.in](http://www.ttlfc.in).
- Members are requested to:
  - intimate to the Company's Registrar and Transfer Agents, M/s. Cameo Corporate Services Ltd, at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
  - 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;
  - quote their folio numbers/Client ID/DP ID in all correspondence;
  - Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.



## 35th Annual Report 2022-2023

5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 Regulations, the Company is pleased to offer e-voting facility to its members to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means in respect of the businesses to be transacted at the AGM, through the remote e-voting platform provided by M/s. Cameo Corporate services Ltd. (CAMEO).
6. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the meeting. Facility of voting through ballot shall also be made available at the meeting.
7. Voting Options REMOTE E-VOTING THROUGH ELECTRONIC MEANS

**THIS EXPLANATORY STATEMENT IS PROVIDED IN TERMS OF REGULATION 36(5) OF THE LISTING REGULATIONS; HOWEVER, THE SAME IS STRICTLY NOT REQUIRED AS PER SECTION 102 OF THE COMPANIES ACT, 2013.**

### Item No. 2

To appoint a Director in place of Shri D. Porpathasekaran (DIN 09612667), who retires by rotation and being eligible, offers himself for re-appointment. The details are placed at Annexure - A.

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One-third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors and the Executive Chairman are not subject to retirement by rotation.

The Board of Directors recommends the resolution as set out in Item No. 2, for approval of the Members of the Company by way of an Ordinary Resolution.

### Annexure-A

Details of Director seeking re-appointment at the Annual General Meeting [Pursuant to Regulation 36(3) of the Listing Regulations]

#### Basic Information:

**Shri.D.Porpathasekaran**, is an officer of Indian Telecommunication Service, 1988 batch and holds Bachelor's degree in Electronics and Communication Engineering from Bharathiyar university and MBA in International Business from Alagappa University. He was working as Executive Director (IT & Telecom), TCIL before taking over as Director (Technical). He has experience of more than 33 years in all spheres of Telecom and worked in various organizations viz ITI/DOT/BSNL/TCIL/ICSIL. He has worked in various parts/regions of India and Abroad.

He has expertise in Project management, General Administration, Sales and Marketing and Enterprise Business. He has been part of various Technical committees and Price Negotiation Committees at corporate level. As Principal General Manager, Broadband Network Circle, BSNL he was handling Operation and Maintenance of Wi-Fi NOC, NMS NOC, SSTP NOC, NIB-P3 OSS/BSS NOC. He has shown exemplary leadership qualities in guiding, motivating and getting the best out of his staff and was adept in handling critical issues and emergency situations affecting the services. As Sr.GM, NWO-CM, BSNL he headed the TN mobile operations, executed Phase VIII.4 GSM expansion consisting of 1200 3G BTSs/ 770 4G e-Nodes / LTE network /IMS Core network. During his tenure the PO/ PI ratio of TN circle, BSNL, was always net positive. He was instrumental in achieving 1.5M port in 2018, the highest ever in BSNL across circles.

As GM/Sr.GM, SZ Nodal centre, BSNL he executed Rs.220 Crore expansion of Billing/IN/SMSC/OTA/SDP/EIR under Phase VII GSM expansion including the very challenging IN migration of 35 Mn customers. He has also worked as GM, CFA, Coimbatore SSA, GM, Salem TD, PGM Coimbatore TD, PGM, Trichy TD for short spells.

As DGM, Chennai Telephones District, DoT, he commissioned many RSUs/RLUs and made the South West area On Demand. As DGM/Addl. GM, BSS operations, he handled the roll out of Phase V , Phase VII GSM project of different technologies in TN Circle involving more than 3500 2G BTSs, 2500 3G BTSs, multiple BSCs, RNCs, and MGWs at a project cost of Rs.1100 Crores.

### Item No. 3

To appoint a Director in place of Shri. B. Elangovan, (DIN 00133452), who retires by rotation and being eligible, offers himself for re-appointment. The details are placed at Annexure B.

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles

## TAMILNADU TELECOMMUNICATIONS LIMITED

of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One-third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors and the Executive Chairman are not subject to retirement by rotation.

The Board of Directors recommends the resolution as set out in Item No. 4, for approval of the Members of the Company by way of an Ordinary Resolution.

### Annexure-B

Details of Director seeking re-appointment at the Annual General Meeting [Pursuant to Regulation 36(3) of the Listing Regulations]

Basic Information :

**Shri.B.Elangovan**, has been a Director on Board of Tamilnadu Telecommunications Limited from many years (2008) and had a vast experience. He is also a Sr. General Manager (Projects) in TIDCO. He is the senior member of committees and board and actively participates in the meetings. His expert knowledge is a vast support to the company and helps on its revival. He is likely to retire in next year. His contribution towards company is immense.

### Item No. 5

Tamil Nadu Telecommunications Limited (TTL), a JV of TCIL & TIDCO has been continuously incurring losses for the past 16 years. The utilization of the capacity of the plant was also continuously in the declining trend to the extent of less than 10%. The company was declared sick in the year 2010 by BIFR due to continuous losses and erosion of net worth. The Current financial condition of the company as on 30th June 2023 has been deteriorated having the accumulated losses of Rs.208/- crores with a negative net worth of Rs.198/- crores. There has been no operation and revenue generation since August 2017. Based on the discussions held in the board, time to time various ways are being explored to generate revenue to keep the company a going concern.

One of the proposals is monetization of TTL premises including vacant land along with diversification of business. TTL has total 9.78 acres of land in Maraimalainagar, near Chennai. Factory area is 4.27 acres with a framed structure built up area of 53265 Sq.ft and vacant land area is 5.51 acres. In this regard a Notice Inviting Tender (NIT) and Request for Proposal (RFP) for has been floated for Grant of Lease of the Manufacturing Facilities and Premises of Tamilnadu Telecommunications Factory located in Maraimalai Nagar, near Chennai, Tamil Nadu.

RFP for leasing of TTL factory premises was initiated and published in TTL, TCIL and nic portal in September 2021 and was extended twice. Again 2nd time the RFP was floated in November 2021 and the opening date were further extended two times. As there was no response, 3rd time RFP was again

floated on 29.12.2021 and tender advertisement was widely published in leading newspapers, Business Line (Tamilnadu Edition) & Dinamalar (Chennai Edition) on 5.01.2022 and Economic Times (All India Editions) on 07.01.2022. Only single bid was received on 21.03.2022 from M/s Shri HariKrishna Industries, Chennai.

The above proposal was considered in the 34th Annual General Meeting of the Members of Tamilnadu Telecommunications Limited held on 28th September 2022 at item No.6. Members had approved the proposal for revenue sharing and leasing of facilities of TTL factory and its premises to M/s Shri HariKrishna Industries, Chennai. Agreement was sent to the party for signing. Despite giving repeated reminders, the party did not turn up for the signing of the Agreement. A warning letter was issued to them on 23.09.2022. The party replied requesting for time extension till December 2022. But no further communication was received from their side till the given timeline ie. till 31st December 2022.

Hence, M/s.Shri.HariKrishna Industries, Chennai has been terminated vide Letter TTL/SHKI/2022-23/Chennai/02 Dated 03rd January, 2023 issued by the MD & CFO (TTL). Thereafter, then again Notice Inviting Tender (NIT) and Request for Proposal (RFP) No.TTL/RFP/22-23/CHENNAI/01 dated 02.01.2023 was published on 03.01.2023 in the websites of TCIL ([www.tcil.net.in](http://www.tcil.net.in)) and TTL ([www.ttlfc.in](http://www.ttlfc.in)) for grant of lease of manufacturing facilities and premises of TTL Factory at Maraimalai nagar, near Chennai, Tamilnadu. It was also advertised in the leading newspapers Business Standard All India English edition and Dinamani Chennai Tamil edition.

The single bid was received from M/s Helios LED Lightronics Pvt Ltd (Helios) from Chennai. Letter of Award (LOA) was sent to M/s Helios Led Lightronics Private Limited on 10th February 2023. The party declined to proceed ahead with the LOA and stated that "due to our internal reasons and our financial position we are not in a position to take any financial liability. We kindly request you to relieve us from this." as per their e-mail Dt. 20th February 2023.

As there was no alternative but to cancel the tender, a Letter dt.15.03.2023 was issued to the bidder to M/s Helios LED Lightronics Pvt Ltd to forfeit the EMD and debarred them for further participation in the tender /RFP for leasing cum revenue sharing of factory and its premises of TTL.

Based on the previous experience and to make the company a going concern certain eligibility conditions were modified in the present tender due to the following constrains / reasons:

- i. The existing premises can be given on lease only for manufacturing of telecom equipment / accessories not for other purposes.
- ii. Based on the assessment by the earlier prospective bidders, there is very little scope for utilizing existing machineries and straight away commence the product of OFC cables.



## 35th Annual Report 2022-2023

- iii. To start the operation in the said premises, the prospective lessee has to invest huge amount of money.
- iv. The parties who have earlier evinced interest in TTL premises and participated in the RFPs have backed out after realizing the potential investment and associated risk involved.
- v. In our earlier RFPs, we have insisted only single entity not consortium.
- vi. Recently we have also received Japti (attachment) notice from Maraimalai nagar Municipality for non-payment of Rs.75 lakhs towards property Tax.
- vii. TTL is facing severe fund crunch and depends on working capital support from TCIL to meet the legal, statutory and essential expenditures.

In view of the above, eligibility condition under clause 2.3 of the RFP has been modified as given below:

- (i) Consortium was allowed as the prospects of getting bids are more against the proposed RFP.
- (ii) Liberalizing the profit conditions also appearing in the RFP due to Covid period and modified to "should be a profit-making (EBITDA) entity in 2 (two) out of 5(five) consecutive financial years".
- (iii) The tender period was reduced to 14 days due urgency of tender.

Finally a Notice Inviting Tender (NIT) and Request for Proposal (RFP) No. TTL/RFP/22-23/CHENNAI/02 dated 15.03.2023 was published on 16.03.2023 in the websites of TCIL ([www.tcil.net.in](http://www.tcil.net.in)) and TTL ([www.ttlfc.in](http://www.ttlfc.in)) for grant of lease of manufacturing facilities and premises of TTL Factory at Maraimalainagar, near Chennai, Tamilnadu. It was also advertised in the leading newspapers Business Standard All India English edition and Dinamani Chennai Tamil edition.

The tender box was opened at 3 pm on 29.03.2023 by the opening committee. The committee found that only single bid was received from Consortium of companies(1)M/s.G.M.T. Enterprises FZC, UAE (Lead Bidder), (2)M/s.Middle East Engineering Services LLC, Oman, (3)M/s.Anji Engineering Solutions Private Limited, Chennai, (4)M/s.Attadus Inc, USA.

The technical and financial evaluation committee (consisting of Ms. Swapnil Gupta, CS/TTL; Shri Rohit Arora, GM (Civil); Shri.Pawan Arora, CGM (F&A) TCIL and Shri. Sanjeev Jain, CGM (NFS & NP) TCIL) evaluated the received bid and found that Net worth certificates were not available and the same were received subsequently from the bidder.

The evaluation committee pointed the below deviations in their report. As per clause 2.3.1 (c), Lead partner M/s G.M.T. Enterprises FZC, UAE does not meet the profit making (EBITDA) criteria (the company was formed in November

2022. However the bid in the last line of the same para explains the criteria which states that "in case of consortium combined financial performance (EBITDA) and net worth will be considered".After receiving the required documents, the financial bid was opened on 25.04.2023, the copy of the report.

The financial bid was opened on 25.04.2023 by the committee. It was found that the party has quoted total net revenue instead of total revenue. Since the net revenue is Sales minus sales returns, the total revenue (as per tender) is also implies the same. While issuing LOA the "total revenue" shall be considered instead of "total net revenue".

The next day negotiation meeting was held on 26.04.2023. After negotiation the bidder agreed to increase the lease rent and submitted a revised quote to the evaluation / negotiation committee. The Committee recommended to move ahead with the bidder. As recommended by the evaluation committee, the proposal for leasing cum revenue sharing was put up to the Audit committee for approval of Board. The Board has approved the final negotiated lease rent as given below:-

### (i) Lease rent

Lease rent for the First Financial year 2023-24 is Rs.0.50 cr., FY 2024-25 is Rs.2.16 crs., there after compounded 5% annual increase from FY 2025-26. Total lease rent for the lease period of 9 years and 11 months is Rs.25,43,43,356 Plus GST.

### (ii) Revenue sharing

In addition to above monthly rental, the Lessee shall also share 1% of total net revenue achieved during each financial year except for the first year or a minimum threshold limit (of Rs. 10 lakhs for first 24 months and from 25th month onwards Rs.20 lakhs) whichever is higher to the Lessor.

In case of orders received from TTL /through its promoters, Lessee shall share 2% to 2.5% of the value of the order executed excluding GST (2% upto value of orders executed for Rs.100 crs., 2.1% orders upto Rs.300 crs., 2.2% orders upto Rs.500 crs., 2.3% orders upto Rs.750 crs., 2.4% orders upto Rs.1000 crs, 2.5% orders upto 1500 crs and above).

The bidder M/s Grün Maschinen Und Technik Private Limited [GMTE FZC UAE]a SPV constituted by Consortium of M/s.G.M.T. Enterprises FZC, UAE (Lead Bidder and a foreign entity),M/s.Middle East Engineering Services LLC, Oman, M/s.Anji Engineering Solutions Private Limited, Chennai and M/s.Attadus Inc, USA has accepted the above payment conditions and agreed to sign the agreement.

It is felt that the present opportunity should not be missed as the plant was lying idle for the past 5 years without generating any revenue rather incurring fixed and statutory expenses. Moreover, any more delays will further spoil the condition of the unused machineries which may not fetch any value in the future or may fetch only scrap value.

## TAMILNADU TELECOMMUNICATIONS LIMITED

The Board recommends the resolution set forth in item no. 5 for the approval of the members as a Special Resolution.

### THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode..

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 23rd September 2023 at 09:00 AM and ends on 25th September 2023 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19th September 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No.SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual Shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting

facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> |