



TAMILNADU TELECOMMUNICATIONS LIMITED

(A Joint venture of TCIL, a Govt. of India Enterprise &
TIDCO, a Govt. of Tamilnadu Enterprises)

OPTICAL FIBRE CABLE DIVISION



Works : E18B-24, CMDA Industrial Complex, Maraimalai Nagar - 603 209. Phone : (044) 27451095, 27453881, 27452406, Telefax : +91 -44-27454768

TTL/IA/2012-13

14.07.2012

SUB: Engagement of Chartered Accountants Firm for Internal Audit of the Company

M/s.Tamilnadu Telecommunications Limited (TTL) is a Joint Venture of M/s.Telecommunications Consultants India Limited (TCIL), A Govt.of India Enterprise, M/s.Tamilnadu Industrial Development Corporation Limited (TIDCO), A Govt.of Tamilnadu Enterprise and M/s.Fujikura Limited, Japan. The Company is manufacturing Optical Fiber Cables (OFC) for Telecommunications and is having its manufacturing facility at Plot No.E18B-24, CMDA Industrial Complex, Maraimalainagar 603 209, located around 40 KMs away from Chennai City, in NH-45.

The entity is a medium sized Company having an employee strength of around 75 in total. TTL is listed in both NSE and BSE. The Company is under rehabilitation of BIFR and BIFR has issued a Sanctioned Scheme during July 2010. State Bank of India, SAM Branch, Egmore, Chennai is the Monitoring Agency (MA) appointed by BIFR. The turnover of the Company during 2011-12 was around Rs. 11 crores. The turnover for the year 2012-13 is expected to be around Rs. 25 crores.

The Internal Audit / Concurrent Audit for the Company is being carried out on quarterly basis by external Chartered Accountants Firm. Report on quarterly basis to be submitted to the management of TTL as well as to the MA. The Company is looking for a Chartered Accountants Firm for engagement as Internal / Concurrent Auditors for the financial year 2012-13. Internal Audit has to be conducted on quarterly basis, ie., for the quarter ended 30th June, 30th September, 31st December and 31st March. The general scope of work is enclosed herewith. The audit for the quarter ended 30th June, 2012 has to be taken up by first week of Aug,2012.

The offers are requested from the CA Firms for submission to the below address on or before 25.07.2012:

The Managing Director,
M/s.Tamilnadu Telecommunications Limited,
E18B - 24, CMDA Industrial Complex,
Maraimalainagar - 603 209.

For Tamilnadu Telecommunications Limited,

Consultant (P&A)

TAMILNADU TELECOMMUNICATIONS LIMITED, MARAIMALAINAGAR

GENERAL SCOPE OF WORK FOR INTERNAL AUDIT OF THE COMPANY TO BE DONE BY EXTERNAL CHARTERED ACCOUNTANTS

I. SCOPE OF WORK

The major areas to be covered are :

(A) Operational performance - Review

1. The details of production, despatches and sales in RKM and FKM along with value.
2. Comparison of production in RKM and FKM with the previous quarter along with Variance percentage and note on the observations.
3. Capacity Utilisation of the quarter along with production in RKM and FKM and note on the observations.
4. Comparative performance of production of the quarter with the previous quarter in RKM and FKM along with Variance and note on the observations.
5. Profitability Statement of the quarter along with previous completed quarters of the financial year. Note on the observations.
6. Quarterwise key parameters viz., production in FKM, total material cost, material cost per FKM, Net sale value, sale income / FKM of production, net margin for FKM of production, net margin percentage etc. Note on the observations.
7. Contribution with notes.
8. Input output ratio of fibre consumption with production along with variance analysis and comparison with the standard norms of rejection.
9. Sales realization (party wise) for local sales, interstate sales and exports separately in RKM, FKM and value. Note on observations.
10. Comparison of actual performance with projected performance as per BIFR sanctioned scheme along with variance for both operational and financial performance. Note on observations.
11. Verification of 100% sales vouchers/invoices along with observation.
12. Verification of 100% purchase invoices , purchase orders and RIRs along with observation.
13. Verification of other vouchers on selective basis and note on observations.

(B) Borrowings

1. Details of borrowings along with interest status with observations. Note on observations
2. Status of BIFR monitoring. Note on observations.

(C) Sundry Debtors

1. Agewise 0-30, 31-90, 91-180 and above 180 days along with percentage to total Debtors. Note on observations along with breakup of Govt. customers and export debtors with further aging analysis beyond 180 days. Note on observations.

(D) Sundry Creditors

1. Age-wise analysis as like Debtors along with percentage to total Creditors. Notes on observations.
2. Details of supports by TCIL. Note on observations
3. Age-wise analysis of direct sundry creditors of TCIL. Note on observations

(E) Inventory

1. Comparison of stock of raw materials with previous quarters along with variance. Value of slow/non-moving if any, compared with total value of raw materials. Details of slow/non-moving raw materials in stores and shop floor for both imports and indigenous. Note on observations.
2. Details of work-in-progress stagewise along with slow moving / non-moving. Breakup details of slow moving / non-moving items at various stages. Note on observations.
3. Summary of inventory, slow/non-moving along with note on observation.
4. Physical verification of selected raw materials.

(F) Other Areas

1. Details of deduction/ remittance of all statutory dues with delay if any.
2. Verification of Bank Reconciliation.
3. Report on other outstanding balances of current assets and current liabilities.
4. Status of pending legal cases / contingent liabilities.
5. Scrutiny of General Ledgers and observations.
6. Details of additions to fixed assets.