

महानगर टेलीफोन निगम लि.

(भारत सरकार का उद्यम)

Mahanagar Telephone Nigam Ltd.

(A Government of India Enterprise)

CIN: L32101DL1986GOI023501



MTNL/SECTT/SE/2018

November 14, 2018

The Secretary,
Bombay Stock Exchange,
National Stock Exchange,
OTCQX

Sub: Compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Submission of Un-audited Reviewed Financial Results for the Quarter ended 30th September, 2018.

Dear Sir,

Further to our letter of even no.dtd. November 02, 2018, we are forwarding herewith the Unaudited Reviewed Financial Results prepared as per Ind AS along with the Limited Review Report submitted by the Statutory Auditors of the Company for the Quarter ended 30th September, 2018 duly approved by the Board of Directors in its Meeting held in New Delhi today i.e. 14th November, 2018.

Kindly acknowledge receipt of the same and take the same on record.

The results are being published in newspapers as per the requirement of Regulation 47 of SEBI (LODR) Regulations, 2015.

Thanking you,
Yours faithfully,

(S.R. SAYAL)

COMPANY SECRETARY

Encl: As above

①

MAHANAGAR TELEPHONE NIGAM LIMITED

(A Govt. of India Enterprise)

Regd. Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003

Website: www.mtnl.net.in, Phone Off: 011-24319020, Fax: 011-24324243

CIN No: L32101DL1986GOI023501

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2018

(Rs. in Crore)

| Sl. No. | Particulars | STANDALONE | | | | | |
|---------|---|------------------------------|---|---|---|---|--------------------------------------|
| | | Three Month Ended | | | Six Month Ended | | Year Ended |
| | | 3 months ended 30/09/2018 | Preceding 3 months ended 30/06/2018 | Corresponding 3 months ended 30/09/2017 in the previous year | Year to date figures for Current period ended 30/09/2018 | Year to date figures for previous period ended 30/09/2017 | Previous year ended 31/03/2018 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| I | Revenue from operations | 444.12 | 492.34 | 642.23 | 936.46 | 1,299.44 | 2,371.91 |
| II | Other Income | 177.13 | 115.40 | 148.88 | 292.54 | 304.32 | 744.51 |
| III | Total Income (I +II) | 621.26 | 607.74 | 791.10 | 1,229.00 | 1,603.76 | 3,116.42 |
| IV | Expenses | | | | | | |
| | Purchases of Stock in Trade | - | - | - | - | - | 5.88 |
| | License Fees & Spectrum Charges | 39.32 | 43.93 | 42.54 | 83.25 | 82.13 | 182.54 |
| | Employees' Remuneration and benefits | 572.83 | 635.05 | 623.19 | 1,207.88 | 1,231.41 | 2,445.79 |
| | Finance cost | 422.72 | 399.10 | 366.22 | 821.83 | 724.58 | 1,505.49 |
| | Revenue Sharing | 40.52 | 35.02 | 46.94 | 75.54 | 95.27 | 151.69 |
| | Depreciation and amortization expense | 246.05 | 251.24 | 266.70 | 497.29 | 531.83 | 1,028.68 |
| | Administrative Expenses | 158.87 | 186.77 | 176.15 | 345.64 | 372.35 | 769.80 |
| | Total Expenses (IV) | 1,480.30 | 1,551.13 | 1,521.75 | 3,031.43 | 3,037.57 | 6,089.87 |
| V | Profits/(Loss) before exceptional items and tax(III-IV) | (859.05) | (943.38) | (730.64) | (1,802.43) | (1,433.81) | (2,973.45) |
| VI | Exceptional items | - | - | - | - | - | - |
| VII | Profit/ (Loss) before tax (V- VI) | (859.05) | (943.38) | (730.64) | (1,802.43) | (1,433.81) | (2,973.45) |
| VIII | Tax expense: | | | | | | |
| | (1) Current tax | - | - | - | - | - | - |
| | (2) Deferred tax | - | - | - | - | - | - |
| IX | Profit/ (Loss) for the period from continuing operations (VII-VIII) | (859.05) | (943.38) | (730.64) | (1,802.43) | (1,433.81) | (2,973.45) |
| X | Profit/ (Loss) from discontinued operations | - | - | - | - | - | 0.42 |
| XI | Tax expense of discontinued operations | - | - | - | - | - | - |
| XII | Profit/ (Loss) from Discontinued Operations (after tax) (X-XI) | - | - | - | - | - | 0.42 |
| XIII | Profit/ (Loss) for the period (IX + XII) | (859.05) | (943.38) | (730.64) | (1,802.43) | (1,433.81) | (2,973.03) |
| XIV | Other Comprehensive Income | | | | | | |
| A | i) Items that will not be reclassified to profit and loss | - | - | - | - | - | 2.38 |
| | ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| B | i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | Other Comprehensive Income for the year | - | - | - | - | - | 2.38 |
| XV | Total Comprehensive Income for the period (XIII+XIV) | (859.05) | (943.38) | (730.64) | (1,802.43) | (1,433.81) | (2,970.65) |
| XVI | Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) | | | | | | |
| | (1) E Basic | (13.64) | (14.97) | (11.60) | (28.61) | (22.76) | (47.20) |
| | (2) Diluted | (13.64) | (14.97) | (11.60) | (28.61) | (22.76) | (47.20) |
| XVII | Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised) | | | | | | |
| | (1) Basic | - | - | - | - | - | 0.01 |
| | (2) Diluted | - | - | - | - | - | 0.01 |
| XVIII | Earnings per equity Share of Rs.10 each (for discontinued & continuing operations): (not annualised) | | | | | | |
| | (1) Basic | (13.64) | (14.97) | (11.60) | (28.61) | (22.76) | (47.19) |
| | (2) Diluted | (13.64) | (14.97) | (11.60) | (28.61) | (22.76) | (47.19) |

See accompanying notes to the financial results



Rupa

(2)

MAHANAGAR TELEPHONE NIGAM LIMITED

Regd. Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003

Website: www.mtnl.net.in, Phone Off: 011-24319020, Fax: 011-24324243

CIN No: L32101DL1986GOI023501

STANDALONE UNAUDITED SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES FOR THE QUARTER AND SIX MONTH ENDED 30/09/2018

(Rs. in Crore)

| Sl. No. | Particulars | STANDALONE | | | | | |
|---------|---|------------------------------|--|---|---|--|---|
| | | Three Month Ended | | | Six Month Ended | | Year Ended |
| | | 3 months ended 30/09/2018 | Preceeding 3 months ended 30/06/2018 | Corresponding 3 months ended 30/09/2017 in the previous year | Year to date figures for Current period ended 30/09/2018 | Year to date figures for previous period ended 30/09/2017 | Year to date figures for previous period ended 31/03/2018 |
| | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1. | Revenue from Operations | | | | | | |
| | Basic & other Services | 388.09 | 430.81 | 549.54 | 818.89 | 1,106.21 | 2,066.75 |
| | Cellular | 57.09 | 62.63 | 94.12 | 119.72 | 195.99 | 310.31 |
| | Unallocable | - | - | - | - | - | - |
| | Total | 445.18 | 493.43 | 643.67 | 938.61 | 1,302.20 | 2,377.06 |
| | Less: Inter Segment Revenue | 1.06 | 1.09 | 1.44 | 2.15 | 2.76 | 5.16 |
| | Net Revenue from Operations | 444.12 | 492.34 | 642.23 | 936.46 | 1,299.44 | 2,371.91 |
| 2. | Segment Result before interest income, exceptional items, finance cost and tax | | | | | | |
| | Basic & other Services | (289.33) | (372.83) | (288.40) | (662.16) | (584.97) | (1,164.35) |
| | Cellular | (157.20) | (177.14) | (117.40) | (334.35) | (244.42) | (578.59) |
| | Unallocable | (11.62) | (13.04) | (1.62) | (24.66) | (5.70) | 14.17 |
| | Total | (458.15) | (563.02) | (407.43) | (1,021.17) | (835.08) | (1,728.77) |
| | Add: Exceptional items | - | - | - | - | - | - |
| | Add: Interest Income | 21.83 | 18.74 | 43.01 | 40.56 | 125.85 | 261.23 |
| | Less: Finance cost | 422.72 | 399.10 | 366.22 | 821.83 | 724.58 | 1,505.49 |
| | Profit/ (Loss) before tax | (859.05) | (943.38) | (730.64) | (1802.43) | (1433.81) | (2973.03) |
| | Less: Provision for Current Tax & Deferred tax | - | - | - | - | - | - |
| | Profit/ (Loss) after tax | (859.05) | (943.38) | (730.64) | (1,802.43) | (1,433.81) | (2,973.03) |
| 3. | Segment Asset | | | | | | |
| | Basic & other Services | 8,978.47 | 9,044.50 | 9,771.81 | 8,978.47 | 9,771.81 | 9,015.14 |
| | Cellular | 5,108.08 | 5,131.76 | 5,384.54 | 5,108.08 | 5,384.54 | 5,230.10 |
| | Unallocable/Eliminations | 2,025.37 | 2,022.47 | 1,943.89 | 2,025.37 | 1,943.89 | 2,004.42 |
| | Total Segment Assets | 16,111.92 | 16,198.73 | 17,100.24 | 16,111.92 | 17,100.24 | 16,249.67 |
| | Segment Liabilities | | | | | | |
| | Basic & other Services | 4,959.63 | 5,103.41 | 5,752.83 | 4,959.63 | 5,752.83 | 5,131.01 |
| | Cellular | 15,503.46 | 15,193.10 | 14,264.66 | 15,503.46 | 14,264.66 | 14,894.79 |
| | Unallocable/Eliminations | 3,788.40 | 3,182.31 | 1,883.44 | 3,788.40 | 1,883.44 | 2,561.22 |
| | Total Segment Liabilities | 24,251.49 | 23,478.83 | 21,900.93 | 24,251.49 | 21,900.93 | 22,587.02 |



Pravin

3

| MAHANAGAR TELEPHONE NIGAM LIMITED | | Annexure III | |
|--|---------------------|---------------------|--|
| Regd. Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003 Website: www.mtnl.net.in, Phone Off: 011-24319020, Fax: 011-24324243 CIN No: L32101DL1986GOI023501 | | | |
| STATEMENT OF ASSETS AND LIABILITIES | | (Rs. in Crore) | |
| Particulars | STANDALONE | | |
| | As at 30.09.2018 | As at 31.03.2018 | |
| | Unaudited | Audited | |
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 4,334.08 | 4,575.15 | |
| (b) Capital work-in-progress | 417.86 | 330.98 | |
| (c) Investment Property | 25.33 | 25.57 | |
| (d) Intangible assets | 3,270.03 | 3,439.27 | |
| (e) Financial Assets | | | |
| (i) Investments | 106.13 | 106.13 | |
| (ii) Loans | 1,816.12 | 1,653.12 | |
| (iii) Others | 1.80 | 10.81 | |
| (f) Non Current Tax Asset | 728.71 | 714.82 | |
| (g) Other Non-Current Assets | 210.02 | 369.33 | |
| Total non-current assets | 10,910.06 | 11,225.18 | |
| (2) Current assets | | | |
| (a) Inventories | 23.58 | 24.61 | |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 557.65 | 424.27 | |
| (ii) Cash and cash equivalents | 53.59 | 54.37 | |
| (iii) Bank Balances other than (ii) above | 11.94 | 11.41 | |
| (iv) Loans | 2,923.28 | 2954.37 | |
| (v) Other Financial Assets | 921.57 | 886.66 | |
| (c) Other current assets | 674.27 | 632.86 | |
| Total Current assets | 5,165.89 | 4,988.55 | |
| (3) Asset held for sale | 35.97 | 35.94 | |
| Total Assets(1+2+3) | 16,111.92 | 16,249.67 | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 630.00 | 630.00 | |
| (b) Other Equity | (8,769.57) | (6,967.35) | |
| Total Equity | (8,139.57) | (6,337.35) | |
| LIABILITIES | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11,561.40 | 10,292.71 | |
| (ii) Other Financial Liabilities | 1,322.31 | 1,995.55 | |
| (b) Long Tem Provisions | 1,018.32 | 1,049.67 | |
| (c) Other Non Current liabilities | 177.04 | 193.70 | |
| Total Non-Current Liabilities | 14,079.06 | 13,531.63 | |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 7,446.44 | 6,382.09 | |
| (ii) Trade Payables | | | |
| (A) total outstanding dues of micro enterprises and small enterprises | - | - | |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | 434.12 | 428.80 | |
| (iii) Other Financial Liabilities | 1,288.82 | 1,335.46 | |
| (b) Other current liabilities | 744.06 | 592.26 | |
| (c) Short Term Provisions | 258.98 | 316.78 | |
| Total Current Liabilities | 10,172.43 | 9,055.39 | |
| Total Equity and Liabilities | 16,111.92 | 16,249.67 | |



Spau

MAHANAGAR TELEPHONE NIGAM LIMITED

(A Govt. of India Enterprise)

Regd. Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003

Website: www.mtnl.net.in, Phone Off: 011-24319020, Fax: 011-24324243

CIN No: L32101DL1986GOI023501

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED ON 30/09/2018

(Pursuant to Regulation 52 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015)

(Rs. in Crore)

| Sl. No. | Particulars | 6 months ended 30/09/2018 | Corresponding 6 months ended 30/09/2017 in the previous year | Previous accounting year ended 31/03/2018 |
|---------|--|------------------------------|---|--|
| | | UNAUDITED | UNAUDITED | AUDITED |
| 1 | 2 | 3 | 4 | 5 |
| I | Revenue from operations | 936.46 | 1,299.44 | 2,371.91 |
| II | Other Income | 292.54 | 304.32 | 744.51 |
| III | Total Income (I +II) | 1,229.00 | 1,603.76 | 3,116.42 |
| IV | Expenses | | | |
| | Purchases of Stock in Trade | - | - | 5.88 |
| | License Fees & Spectrum Charges | 83.25 | 82.13 | 182.54 |
| | Employees' Remuneration and benefits | 1,207.88 | 1,231.41 | 2,445.79 |
| | Finance cost | 821.83 | 724.58 | 1,505.49 |
| | Revenue Sharing | 75.54 | 95.27 | 151.69 |
| | Depreciation and amortization expense | 497.29 | 531.83 | 1,028.68 |
| | Administrative Expenses | 345.64 | 372.35 | 769.80 |
| | Total Expenses (IV) | 3,031.43 | 3,037.57 | 6,089.87 |
| V | Profits/(Loss) before exceptional items and tax(III-IV) | (1,802.43) | (1,433.81) | (2,973.45) |
| VI | Exceptional items | - | - | - |
| VII | Profit/ (Loss) before tax (V- VI) | (1,802.43) | (1,433.81) | (2,973.45) |
| VIII | Tax expense: | | | |
| | (1) Current tax | - | - | - |
| | (2) Deferred tax | - | - | - |
| IX | Profit/ (Loss) for the period from continuing operations (VII - VIII) | (1,802.43) | (1,433.81) | (2,973.45) |
| X | Profit/ (Loss) from discontinued operations | - | - | 0.42 |
| XI | Tax expense of discontinued operations | - | - | - |
| XII | Profit/ (Loss) from Discontinued Operations (after tax) (X-XI) | - | - | 0.42 |
| XIII | Profit/ (Loss) for the period (IX + XII) | (1,802.43) | (1,433.81) | (2,973.03) |
| XIV | Other Comprehensive Income | - | - | 2.38 |
| XV | Total Comprehensive Income for the period (XIII + XIV) | (1,802.43) | (1,433.81) | (2,970.65) |
| XVI | Earnings per equity Share of Rs.10 each for continuing operations: (not annualised) | | | |
| | (1) Basic | (28.61) | (22.76) | (47.20) |
| | (2) Diluted | (28.61) | (22.76) | (47.20) |
| XVII | Earnings per equity Share of Rs.10 each for discontinued operations:(not annualised) | | | |
| | (1) Basic | - | - | 0.01 |
| | (2) Diluted | - | - | 0.01 |
| XVIII | Earnings per equity Share of Rs.10 each for discontinued & continuing operations: (not annualised) | | | |
| | (1) Basic | (28.61) | (22.76) | (47.19) |
| | (2) Diluted | (28.61) | (22.76) | (47.19) |
| XIX | Paid-up equity share capital (Face value of Rs.10/-each) | 630.00 | 630.00 | 630.00 |
| XX | Paid up Debt Capital | 2,980.00 | 2,980.00 | 2,980.00 |
| XXI | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | | | (6,967.35) |
| XXII | Debenture Redemption Reserve | 45.27 | 45.27 | 45.27 |
| XXIII | Debt Equity Ratio | (1.58) | (2.18) | (1.80) |
| XXIV | Debt Service Coverage Ratio (DSCR) | (1.01) | (0.83) | (0.82) |
| XXV | Interest Service Coverage Ratio (ISCR) | (1.19) | (0.98) | (0.97) |

See accompanying notes to the financial results

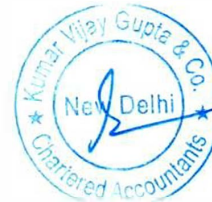


Pravin

5

Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations, 2015 for the Half year ended September 30, 2018

| Particulars | | Disclosures | |
|-------------|--|--|----------------------------|
| (a) | Credit rating and change in credit rating (if any); | Crisil Rating - CRISIL AAA(SO)/Stable | |
| | | Care Rating - CARE AAA (SO)/Stable | |
| (b) | Asset cover available, in case of non convertible debt securities; | Not Applicable as all the debentures are Unsecured | |
| (c) | Debt-equity ratio; | (1.58) | |
| (d) | Previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not; and, | Series | Dates |
| | | Rs 1005 Cr | 28th September 2018 (paid) |
| | | Rs 1975 Cr | 05th June 2018 (paid) |
| | | Rs 765 Cr | 26th September 2018 (paid) |
| | | Rs 1500.07 Cr | 19th May 2018 (Paid) |
| | | Rs 2268.90 Cr | 28th May 2018 (Paid) |
| (e) | Next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount; | Series | Dates |
| | | Rs 1005 Cr | 28th March 2019 |
| | | Rs 1975 Cr | 05th December 2018 |
| | | Rs 765 Cr | 26th March 2019 |
| | | Rs 1500.07 Cr | 19th November 2018 |
| | | Rs 2268.90 Cr | 28th November 2018 |
| (f) | Debt service coverage ratio; | (1.01) | |
| (g) | Interest service coverage ratio; | (1.19) | |
| (h) | Outstanding redeemable preference shares (quantity and value); | Not Applicable | |
| (i) | Capital redemption reserve/debenture redemption reserve; | Rs. 45.27 Crore | DRR |
| (j) | Net worth; | Rs. (8139.57) Cr | |
| (k) | Net profit after tax; | Rs. (1802.43) Cr | |
| (l) | Earnings per share: | Rs. (28.61) | |



Pravin

6

Notes:

- 1 The above results have been reviewed and recommended for adoption by the Audit Committee in their meeting held on 14.11.2018 and approved by the Board of Directors of the Company at their meeting held on the same date.
- 2 The company has prepared these financial results in accordance with the Companies (Indian Accounting Standards) Rules 2015 prescribed under Section 133 of the Companies Act, 2013.
- 3 Effective April 1, 2018, the company adopted Ind AS 115, 'Revenue from Contracts with Customers' basis the cumulative effect method applied to the contracts that are not completed as of April 1, 2018. Accordingly, the comparatives have not been restated. The effect on adoption of the said standard was insignificant on these results.
- 4 Paidup Debt Capital excludes NCDs issued to the tune of Rs.4533.97 Crores for which the liability to pay Interest & Principal is on Government.
- 5 Debt Equity Ratio= (Long Term Borrowings + Short Term Loans + Current Maturity of Long Term Borrowings)/(Share Capital + Other Equity)
- 6 Debt Service Coverage Ratio (DSCR)= Earnings before Finance Cost and Tax (after exceptional items)/ (Finance Expense + Schedule Principal Repayment during the period)
- 7 Interest Service Coverage Ratio (ISCR)= Earnings before Finance Cost and Tax (after exceptional items)/ Finance Expense
- 8 The statutory auditors of the Company have carried out the limited review of the financial results for the quarter and half year ended 30 th September, 2018 as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board



(P. K. Purwar)

Chairman & Managing Director

DIN No. 06619060

Place : New Delhi

Date : 14.11.2018



7

MAHANAGAR TELEPHONE NIGAM LIMITED
(A Govt. of India Enterprise)

Corporate & Registered Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003
Website: www.mtnl.net.in, Phone Off: 011-24319020, Fax: 011-24324243

CIN No: L32101DL1986GOI023501

EXTRACT OF THE STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2018

(Rs. in Crore)

| Particulars | STANDALONE | | | | |
|---|---------------------------|--|--|---|--------------------------------|
| | Three Month Ended | | Six Month Ended | | Year Ended |
| | Quarter ending 30/09/2018 | Corresponding 3 months ended 30/09/2017 in the previous year | Year to date figures for period ended 30/09/2018 | Year to date figures for period ended 30/09/2017 in the previous year | Previous year ended 31/03/2018 |
| | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| 1 Total Income from Operations | 621.26 | 607.74 | 1,229.00 | 1,603.76 | 3,116.42 |
| 2 Net Profit/ (Loss) for the period before exceptional items & tax | (859.05) | (943.38) | (1,802.43) | (1,433.81) | (2,973.03) |
| 3 Net Profit/ (Loss) for the period before Tax(after Exceptional items) | (859.05) | (943.38) | (1,802.43) | (1,433.81) | (2,973.03) |
| 4 Net Profit/ (Loss) for the period after Tax | (859.05) | (943.38) | (1,802.43) | (1,433.81) | (2,973.03) |
| 5 Total Comprehensive Income for the period (Comprising net profit/(loss) after tax and other comprehensive income after tax) | (859.05) | (943.38) | (1,802.43) | (1,433.81) | (2,970.65) |
| 6 Paid up Equity Share Capital | 630.00 | 630.00 | 630.00 | 630.00 | 630.00 |
| 7 Other Equity (excluding Revaluation Reserve) | | | (8,769.57) | (5,430.68) | (6,967.35) |
| 8 Net Worth | | | (8,139.57) | (4,800.68) | (6,337.35) |
| 9 Paid up Debt Capital/ Outstanding Debt | | | 2,980.00 | 2,980.00 | 2,980.00 |
| 10 Outstanding Redeemable Preference Shares | | | - | - | - |
| 11 Debt Equity Ratio | | | (1.58) | (2.18) | (1.80) |
| 12 Earnings Per Share (of Rs.10 each) for continuing and discontinued operations-(not annualised) | | | | | |
| 1. Basic : | (13.64) | (11.60) | (28.61) | (22.76) | (47.19) |
| 2. Diluted : | (13.64) | (11.60) | (28.61) | (22.76) | (47.19) |
| 13 Capital Redemption Reserve | | | - | - | - |
| 14 Debenture Redemption Reserve | | | 45.27 | 45.27 | 45.27 |
| 15 Debt Service Coverage Ratio (DSCR) | | | (1.01) | (0.83) | (0.82) |
| 16 Interest Service Coverage Ratio (ISCR) | | | (1.19) | (0.98) | (0.97) |

Note:

1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the website of the company at www.mtnl.net.in and on the Stock Exchange websites at www.bseindia.com and www.nseindia.com.

2. For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the BSE & NSE and can be accessed on the Stock Exchange websites at www.bseindia.com and www.nseindia.com.

3. The company has prepared these financial results in accordance with the Companies (Indian Accounting Standards) Rules 2015 prescribed under Section 133 of the Companies Act, 2013.

For and on behalf of the Board


(P. K. Purwar)

Chairman & Managing Director

DIN No. 06619060

Place: New Delhi

Date: 14.11.2018

8

MEHRA GOEL & CO.
CHARTERED ACCOUNTANTS
505, Chiranjiv Tower,
43, Nehru Place,
New Delhi – 110019
Phone : 011-26419527, 26430349
Fax : 011-26217981

KUMAR VIJAY GUPTA & CO.
CHARTERED ACCOUNTANTS
408, New Delhi House,
Barakhamba Road, Connaught Place
New Delhi – 110001
Phone : 011-23314525, 41571108

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE BOARD OF DIRECTORS OF MAHANAGAR TELEPHONE NIGAM LIMITED

1. We have reviewed the accompanying Statement of unaudited standalone financial results ("the Statement") of **MAHANAGAR TELEPHONE NIGAM LIMITED** ("the Company") for the quarter and half year ended September 30, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 ("the Circular").
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind-AS) – 34 on "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Circular, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review in accordance with the 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 (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Basis for Qualified Conclusion

Based on the information provided to us by the Management of Mahanagar Telephone Nigam Limited, we have given in the **Annexure – I** to this report the basis for qualified conclusions.



9

5. Qualified Conclusion

Based on our review conducted as stated above, except for the observations matters mentioned in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results read with notes thereon, prepared in accordance with the applicable Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

- a) Classification of trade receivables as unsecured without considering the security deposit which the Company has received from the subscribers.
- b) Amount receivable from BSNL & other operators have been reflected as loans and other financial assets instead of bifurcating the same into trade receivables and other financial assets.
- c) The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) of Combined Service Optee absorbed employees in MTNL; wherein DOT has not accepted/sanctioned the full amount of GPF including interest thereon, claimed of the Company in respect of which correspondence in going on between the Company and DOT are continued to be shown as recoverable from DOT and payable to GPF in the unaudited standalone financial results of the Company.
- d) The payables towards license fees and spectrum usage charges have been adjusted with excess pension payouts to Combined Pensioners Optees recoverable from DOT in respect of which matter is under consideration and correspondence in going on between the Company and DOT.
- e) The license agreement between the Company and Department of Telecommunication (DOT) does not have any guidance on change in method of calculation of Adjusted Gross Revenue (AGR) due to migration to Ind-AS from I-GAAP. Provisioning and payment of liability in respect of license fees and spectrum usage charges payable to DOT has been done on the basis of Ind-AS based financial statements. The amount of difference in computation of Adjusted Gross Revenue (AGR) is under consideration of DOT.



10

Our conclusion is not modified in respect of these matters.

For Mehra Goel & Co.
Chartered Accountants
Firm Registration No.: 000517N



Nitish Kumar Chugh
Partner
Membership No.: 512742



For Kumar Vijay Gupta & Co.
Chartered Accountants
Firm Registration No.: 007814N



Roopa Garg
Partner
Membership No.: 500677



Place: New Delhi
Date: November 14, 2018

11

MEHRA GOEL & CO.
CHARTERED ACCOUNTANTS
505, Chiranjiv Tower,
43, Nehru Place,
New Delhi – 110019
Phone : 011-26419527, 26430349
Fax : 011-26217981

KUMAR VIJAY GUPTA & CO.
CHARTERED ACCOUNTANTS
408, New Delhi House,
Barakhamba Road, Connaught Place
New Delhi – 110001
Phone : 011-23314525, 41571108

Annexure – I to the Independent Auditors' Review Report
(Referred to in Para 4 of our report of even date)

- 1) The net worth of the Company has been fully eroded: The Company has incurred net cash loss during the current quarter and half year ended on September 30, 2018 as well as in the previous year's and the current liabilities exceeded the current assets substantially.

Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the Company as "Incipient Sick CPSE". Department of Telecommunication (DOT) has also confirmed the status vide its issue no. I/3000697/2017 through file no. 19-17/2017 – SU-II.

However, the unaudited standalone financial results of the Company have been prepared on a going concern basis keeping in view the majority stake of the Government of India and accompanying management note.

2) Bharat Sanchar Nigam Limited (BSNL):

- a) All the receivables and payables from/to BSNL are subject to confirmation and/or reconciliation. The Company is not making any provision for old un-reconciled outstanding balances from BSNL. Any consequential impact of the above on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018 is not ascertainable.
- b) Income arising on account of Revenue Sharing with BSNL in respect of lease circuits provided has not been recognized in terms of Memorandum of Understanding (MOU) between BSNL and MTNL. As per MOU, revenue and expenditure will be based on the price offered to the customers after applying the discount, if any at the time of acquiring the business. However, Revenue has been recognized on the basis of available information which is either based on the Company Card Rates or Old rates of BSNL. In Some Cases, BSNL has given the information in respect of updated rates but the same has not been considered at the time of booking of revenue sharing with BSNL. In the absence of relevant updated records, we are not in a position to comment on the impact thereof on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018.
- c) The Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs. 115.61 Crores has not been carried forward or ineligible credits amounting to Rs. 50.26



12

Crores excessively carried forward to TRANS-1 under GST laws resulting in overstatement of current assets and understatement of loss to that extent

- d) The Company has recognized Income and Expenditure arising on account of revenue sharing with BSNL excluding of Service Tax and Goods and Service Tax (GST) where the demand note/invoices are raised to and received from BSNL inclusive of the aforesaid taxes but the accounting treatment of the aforesaid taxes are being recognized by the Company at the time of settlement with BSNL. In the absence of any information / working, the impact thereof on attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018 cannot be ascertained and quantified.
- 3) The Company continues to allocate the establishment overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under section 133 of the Companies Act, 2013. the same results into overstatement of Capital Work in Progress / Property, Plant and Equipment and understatement of losses. The actual impact of the same on the capitalization & losses for period has not been ascertained and quantified. Moreover, in the absence of confirmation of work completion & WIP (work in progress), authenticity and accuracy of amount outstanding and shown as WIP for extra ordinary time period cannot be examined. Accordingly, consequential impact on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018 cannot be ascertained and quantified.
- 4) All the receivables and payables including amount receivable/payable from to Department of Telecommunication (DOT), ITI Limited, inter unit balances, bank balances including unlinked credits, and subscriber’s deposits pertaining to Delhi wireless unit are subject to confirmation and/or reconciliation. Further, The Company is not making any provision for old un-reconciled outstanding balances from DOT, Govt. Agencies and dues from operators. Any consequential impact of the same on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018 is not ascertainable.
- 5) Up to financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13, the license fee payable to DOT on IUC charges to BSNL has been worked out strictly as per the terms of License Agreement. However shortfall of Rs. 140.36 Crores on this account for the period up to financial year 2011-12 shown as contingent liability in 2014-15 has not been provided for till September 30, 2018 resulting into understatement of current liabilities and understatement of losses to that extent.



13

- 6) Except for the impairment loss of assets of CDMA units provided in earlier years. No adjustment has been considered on account of impairment loss, if any, with reference to Indian Accounting Standard – 36 “Impairment of Assets” prescribed under section 133 of the Act as at September 30, 2018. In view of recurring losses incurred by the Company and uncertainty in the achievement of projections made by the Company, we are unable to comment on the provisions, if any, required in respect of impairment of carrying value of the cash generating units and its consequential impact on the losses of the Company for the quarter and half year ended on September 30, 2018, accumulated balance of reserve and surplus and also the carrying value of the cash generating units.
- 7) Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year quarter. The resultant impact of the same on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018 by way of depreciation and amount of property, plant and equipments capitalized in the balance sheet can't be ascertained and quantified.
- 8) Certain Land and Buildings transferred to MTNL from DOT in earlier years has been reflected as leasehold. In the absence of relevant records, we are not in a position to comment on the classification, capitalization and amortization of the same as leasehold and also the consequential impacts, if any, of such classification, capitalization and amortization not backed by relevant records. In the absence of relevant records, impact of such classification on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018 can't be ascertained and quantified.
- 9) Department of Telecommunication (DOT) had raised a demand of Rs. 3,313.15 Crores on account of one time charges for 2G spectrum held by the Company for GSM and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis.

As explained the demand for spectrum usage for CDMA has been revised by Rs. 107.44 Crores on account of rectification of actual usage.

Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by the Company and because of the matter being sub judice in the Apex Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability was created for the demand made by DOT on this account and Rs. 3,205.71 Crores had been disclosed as contingent liability.



14

In view of the above, we are not in a position to comment on the correctness of the stand taken by the Company and the ultimate implications of the same on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018.

10) In Mumbai Unit, the Company had been awarded a long duration contract from Larsen & Turbo (L&T) for design, development, implementation & Maintenance of CCTV based surveillance system for Mumbai City. The Company has not done any accounting adjustment or recognized any revenue/expense or profit/loss in respect of aforesaid contract till September 30, 2018 on the basis of accounting principles as prescribed under applicable Indian Accounting Standard (Ind-AS) – 18 on "Revenue" and/or Indian Accounting Standard (Ind-AS) – 115 on "Revenue from Contracts with Customers". In the absence of any such working/detail, we are not in a position to comment on the impact thereof on the attached unaudited standalone financial results of the Company for the quarter and half year ended on September 30, 2018.

11) During the year ended March 31, 2018, the Company had booked an income amounting to Rs. 136.74 Crores as Other Income on account of difference between the estimated amounts of Pension Payout Orders (PPO), accounted for in the past years pertaining to Delhi Units and actual arrived on completion of issuance of PPO's by the Department of Telecommunication (DOT), Government of India (GOI). Similar effect of the same in respect of Mumbai Units has not been given till September 30, 2018 due to non-finalization of the actual reports by the Company. In the absence of relevant records, we are not in a position to comment on the impact thereof on the unaudited standalone financial results of the Company for the quarter and half year ended September 30, 2018.

12) The above observations/conclusions referred to in Para no. 1 to 11 were subject matter of qualification in the Auditor's Report for the year ended on 31st March 2018.

13) The overall impact of matters referred to in above paras except para no. 2(c) and 5 on the attached unaudited standalone financial results of the Company is not determinable.

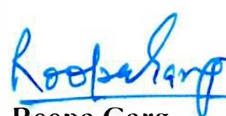
For Mehra Goel & Co.
Chartered Accountants
Firm Registration No.: 000517N



Nitish Kumar Chugh
Partner
Membership No.: 512742



For Kumar Vijay Gupta & Co.
Chartered Accountants
Firm Registration No.: 007814N



Roopa Garg
Partner
Membership No.: 500677



Place: New Delhi
Date: November 14, 2018

15