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MAHANAGAR TELEPHONE NIGAM LIMITED
(A GOVERNMENT OF INDIA ENTERPRISE)
CIN L32101DL1986GOI023501

MTNL/SECTT/SE/2023
August 11, 2023

TO,
The Listing Department,
Bombay Stock Exchange (BSE)
National Stock Exchange (NSE)

Ref: BSE Scrip Code: 500108/ NSE Symbol: MTNL/ OTCIQ

SUB: COMPLIANCE OF REGULATION 33 & 52 OF THE SEBI (LODR) REGULATIONS, 2015: SUBMISSION OF UN-AUDITED REVIEWED FINANCIAL RESULTS ALONG WITH LIMITED REVIEW REPORT FOR THE QUARTER ENDED ON 30th JUNE, 2023

Dear Sir,

Further to our letter of even no.dtd. **July 10, 2023**, 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 June, 2023 duly approved by the Board of Directors in its Meeting held in New Delhi today i.e. **11th August, 2023**.

Also pursuant Regulation 52(7) & (7A) of SEBI LODR, 2015, we are also forwarding Utilization Statement in respect of Bonds issued by MTNL during the Quarter ended 30.06.2023.

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

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

The Board meeting started at 5.00 PM and concluded at 7.45 PM.

Thanking you,
Yours faithfully,


(RATAN MANI SUMIT)
COMPANY SECRETARY



Encl: A/a

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 UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30/06/2023

Annexure I

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(Rs. in Crore)

Sl. No.	Particulars	STANDALONE			
		Three Month Ended			Year Ended
		3 months ended 30/06/2023	Preceding 3 months ended 31/03/2023	Corresponding 3 months ended 30/06/2022 in the previous year	Previous year ended 31/03/2023
		UNAUDITED	AUDITED *	UNAUDITED	AUDITED
I	Revenue from operations	184.57	202.35	235.83	861.57
II	Other Income	112.31	199.34	149.51	612.45
III	Total Income (I +II)	296.88	401.69	385.34	1,474.02
IV	Expenses				
	Purchases of stock-in-trade	0.03	0.04	0.04	0.26
	License Fees & Spectrum Charges	15.67	17.82	21.20	77.65
	Employee benefits expense	149.49	145.92	138.78	545.23
	Finance cost	645.23	640.91	540.12	2,354.26
	Revenue Sharing	11.33	20.02	13.66	60.19
	Depreciation and amortization expense	163.05	178.13	180.03	716.52
	Other Expenses	162.23	144.63	141.36	630.65
	Total Expenses (IV)	1,147.03	1,147.47	1,035.19	4,384.76
V	Profits/(Loss) before exceptional items and tax(III-IV)	(850.15)	(745.78)	(649.84)	(2,910.74)
VI	Exceptional items	-	-	-	-
VII	Profit/ (Loss) before tax (V- VI)	(850.15)	(745.78)	(649.84)	(2,910.74)
VIII	Tax expense:				
	(1) Current tax	-	-	-	-
	(2) Deferred tax	-	-	-	-
IX	Profit/ (Loss) for the period from continuing operations (VII - VIII)	(850.15)	(745.78)	(649.84)	(2,910.74)
X	Profit/ (Loss) from discontinued operations	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-
XII	Profit/ (Loss) from Discontinued Operations (after tax) (X-XI)	-	-	-	-
XIII	Profit/ (Loss) for the period (IX + XII)	(850.15)	(745.78)	(649.84)	(2,910.74)
XIV	Other Comprehensive Income				
A	i) Items that will not be reclassified to profit and loss	(1.12)	(8.10)	-	(4.48)
	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	(1.12)	(8.10)	-	(4.48)
XV	Total Comprehensive Income for the period (XIII+XIV)	(851.27)	(753.88)	(649.84)	(2,915.22)
XVI	Paid up Equity Share Capital				630.00
XVII	Other Equity excluding revaluation reserves				(21,472.90)
XVIII	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)				
	(1) Basic	(13.49)	(11.84)	(10.31)	(46.20)
	(2) Diluted	(13.49)	(11.84)	(10.31)	(46.20)
XIX	Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised) (In Rs.)				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
XX	Earnings per equity Share of Rs.10 each (for discontinued & continuing operations): (not annualised) (In Rs.)				
	(1) Basic	(13.49)	(11.84)	(10.31)	(46.20)
	(2) Diluted	(13.49)	(11.84)	(10.31)	(46.20)

See accompanying notes to the financial results:

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Sumit
17/08/2023
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MAHANAGAR TELEPHONE NIGAM LIMITED

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CIN No: L32101DL1986GOI023501

UNAUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER ENDED ON 30/06/2023

(Rs. in Crore)

		STANDALONE			
		Three Month Ended			Year Ended
Sl. No.	Particulars	3 months ended 30/06/2023	Preceding 3 months ended 31/03/2023	Corresponding 3 months ended 30/06/2022 in the previous year	Previous year ended 31/03/2023
		UNAUDITED	AUDITED *	UNAUDITED	AUDITED
1.	Revenue from Operations				
	Basic & other Services	177.03	188.68	223.37	810.85
	Cellular	7.87	14.01	12.80	52.13
	Unallocable	-	-	-	-
	Total	184.90	202.69	236.17	862.98
	Less: Inter Segment Revenue	0.33	0.34	0.34	1.41
	Net Revenue from Operations	184.57	202.35	235.83	861.57
2.	Segment Result before interest income, exceptional items, finance cost and tax				
	Basic & other Services	(102.02)	(7.77)	9.74	(68.20)
	Cellular	(105.18)	(124.57)	(110.53)	(491.37)
	Unallocable	(0.39)	26.11	(11.54)	(6.90)
	Total	(207.59)	(106.23)	(112.33)	(566.47)
	Add: Exceptional items	-	-	-	-
	Add: Interest Income	2.67	1.36	2.61	9.98
	Less: Finance cost	645.23	640.91	540.12	2,354.26
	Profit/ (Loss) before tax	(850.15)	(745.78)	(649.84)	(2910.74)
	Less: Provision for Current Tax & Deferred tax	-	-	-	-
	Profit/ (Loss) after tax	(850.15)	(745.78)	(649.84)	(2,910.74)
3.	Segment Assets				
	Basic & other Services	6,311.34	6,381.49	6,607.38	6,381.49
	Cellular	3,435.14	3,523.79	3,832.95	3,523.79
	Unallocable/Eliminations	1,585.62	1,729.36	1,578.18	1,729.36
	Total Segment Assets	11,332.10	11,634.64	12,018.51	11,634.64
4.	Segment Liabilities				
	Basic & other Services	2,620.53	2,500.74	2,708.03	2,500.74
	Cellular	28,638.58	28,068.78	26,602.10	28,068.78
	Unallocable/Eliminations	1,757.63	1,908.02	2,014.68	1,908.02
	Total Segment Liabilities	33,016.74	32,477.54	31,324.81	32,477.54

See accompanying notes to the financial results:



Notes to Standalone Financial Results:

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- 1 The financial results have been prepared in accordance with the Indian Accounting Standards (Ind- AS) as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- 2 The above results have been reviewed by the Audit Committee in their meeting held on 11.08.2023 and approved by the Board of Directors of the Company at their meeting held on the same date.
- 3 Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015

S.No.	Particulars	Three Month Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		UNAUDITED	AUDITED *	UNAUDITED	AUDITED
a	Debt Service Coverage Ratio (in times) [EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt)]	(0.06)	0.04	0.06	0.02
b	Interest Service Coverage Ratio (in times) [EBITDA / Finance Cost]	(0.06)	0.11	0.13	0.07
c	Outstanding Redeemable Preference shares (quantity and value) (in Rs Crs)	-	-	-	-
d	Capital Redemption Reserve (in Rs Crs)	-	-	-	-
e	Debenture Redemption Reserve (in Rs Crs) #	-	-	-	-
f	Net Worth (in Rs Crs) (As per Section 2 (57) of Companies Act 2013)	(21,684.64)	(20,842.90)	(19,306.29)	(20,842.90)
g	Net Profit/ (Loss) After Tax (in Rs Crs)	(850.15)	(745.78)	(649.84)	(2,910.74)
h	Earnings Per Share (in Rs) [Not Annualised]	(13.49)	(11.84)	(10.31)	(46.20)
i	Current Ratio (in times) [Current Assets /Current Liabilities]	0.42	0.46	0.43	0.46
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.33)	(1.35)	(1.41)	(1.35)
k	Long Term Debt to Working Capital (in times) Long Term Debt excluding lease liability + Current Maturities of Long Term Debt Working Capital excluding current maturities of Long Term Borrowings	(7.18)	(8.99)	(3.69)	(8.99)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.00	0.01	0.02	0.09
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.41	0.38	0.47	0.38
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	2.56	2.44	2.28	2.44
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.24	1.35	1.34	1.39
p	** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)	23,512.31	23,499.69	19,112.21	23,499.69
q	Operating Margin (%) [(EBIT - Other Income)/ Revenue from Operations]	(171.87)%	(150.34)%	(109.93)%	(135.67)%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	(460.60)%	(368.56)%	(275.56)%	(337.84)%

- 4 * The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
- 5 # MTNL is a listed company and issued debentures on private placement basis, there is no requirement to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) B of Companies (Share Capital and Debenture) Rules, 2014.
- 6 ** Paidup debt Capital/Outstanding Debt (excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 4,533.97 Cr for which the liability to pay interest and principal is on Government of India). Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- 7 As the principal activities of the company are in the nature of services, so Inventory Turnover ratio is not relevant.
- 8 The Company had claimed benefit under section 80IA of the Income Tax Act, 1961 for the financial year from 1997-98 to 2005-06 for balance of 25 % of the amount claimed and unsettled. The provision of Rs. 375.96 crores for claim is retained while showing Rs. 243.22 crores as contingent reserve to meet any contingency.



Notes to Standalone Financial Results:

- 9 The arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against MTNL for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs. 0.61 Crore was also awarded to Canara Bank and Rs.0. 32 Crore to CANFINA as costs. MTNL filed OMP (COMM) No.312 of 2022 before Hon'ble Delhi High Court to set aside the Award along with an IA No.14319 Of 2022 seeking unconditional stay on the operation of said award. Further Canara Bank and Canfina also filed applications for enforcement of said award dated 03 03 2022. Canara Bank's- OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO. 155 of 2022. Hon'ble HC schedule the next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Banks OMP and Canfina OMP on 22.08.2023. The amount of award along with interest therefor has been disclosed as contingent liability.
- 10 MTNL dispute with M/s. M & N Publications Limited in connection with telephone directories of years 1993-98 and the subsequent awards by arbitrator in respect of MTNL are challenged by M/s. M & N Publications Limited. The claim of Rs. 65.04 crores on this account has been shown as contingent liability in Delhi unit.
- 11 The maintenance and running of MTNL wireless network has been handed over to BSNL as an outsource agency from 01.04.2021 (in case of Delhi) and from 01.09.2021 (in case of Mumbai) onwards to improve the quality of services. MTNL has initiated the process for raising the claims for gap funding. The financial impact of same, if any, will be accounted for on finalisation of operational modalities.
- 12 The Amounts recoverable from Department of Telecommunication (DOT) of Rs. 6.52 Crore in respect of settlement of General Provident Fund (GPF) of Combined Service Optees absorbed employees is under review with DOT and hence continued to be shown as recoverable from DOT and payable to GPF.
- 13 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.
- 14 The License agreement between Company and 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.
- 15 The financial results have been reviewed by the Statutory Auditors as required under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 16 The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation.



Place : New Delhi
Date : 11.08.2023



For and on behalf of the Board


(P.K.Purwar)
Chairman & Managing Director
DIN: 06619060

SPMG & Co.
CHARTERED ACCOUNTANTS
3322-A, 2nd Floor,
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SCV & Co. LLP
Chartered Accountants
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Independent Auditor's Review Report on Standalone Unaudited Financial Results for Quarter ended June 30th, 2023 of Mahanagar Telephone Nigam Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors
Mahanagar Telephone Nigam Limited
Mahanagar Doorsanchar Sadan,
5th Floor, 9, CGO Complex,
Lodhi Road, New Delhi - 110 003

1. We have reviewed the accompanying statement of standalone unaudited financial results ("The Statement") of **Mahanagar Telephone Nigam Limited** ("The Company") for the Quarter ended June 30th, 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement is the responsibility of the Company's Management, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard-34 "Interim Financial Reporting" ("Ind-AS 34"), specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
3. We conducted our review of the Statement 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results 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.



5. Qualified Conclusion

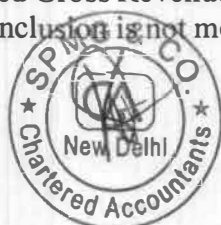
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Based on our review conducted as stated above, except for the observations / matters mentioned in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results read with notes thereon, prepared in accordance with the applicable Indian Accounting Standards (Ind-AS) 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 and 52, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

We draw your attention to following notes to unaudited standalone financial results:

- (i) Notes No.8 With reference to pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Company u/s 80IA of the Income Tax Act, 1961.
 - (ii) Notes No. 10 Impact of accounting of claims and counter claims of the company with M/s M&N Publications Ltd., in a dispute over printing, publishing and supply of telephone directories for MTNL, will be given in the year when the ultimate collection/payment of the same becomes reasonably certain.
 - (iii) Notes No. 11 The operations and maintenance of wireless network has been handed over to BSNL as an outsource agency from 1.4.2021 (in case of Delhi) and 1.9.2021 (in case of Mumbai) onwards. Pending finalization of standard operating procedures the financial impact of the same (if any) will be accounted for on finalization of operational modalities.
 - (iv) Notes No.12 The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) of Combined Service Optees absorbed employees in MTNL and the matter has been under review with DOT and the full amount of GPF including interest thereon, claimed of the Company in respect of which correspondence is going on between the Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.
 - (v) Notes No.13 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 is going on between the Company and DOT.
 - (vi) Notes No.14 The License agreement between Company and 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.
- Our conclusion is not modified in respect of aforesaid matters.



7. Other Matter

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Attention is drawn to the fact that the figures for the quarter ended March 31st, 2023 as reported in these standalone unaudited financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit

Our conclusion is not modified in respect of this matter.

For SPMG & Co.

Chartered Accountants

Firm Registration No.: 5092496

Mandeep Singh

CA Mandeep Singh Arora

Partner

Membership No.: 091243

UDIN: 23091243BGSKCS2328



For SCV & Co. LLP

Chartered Accountants

Firm Reg. No.: 000235N/N500089

Abhinav Khosla

CA Abhinav Khosla

Partner

Membership No.: 087010

UDIN: 23087010BGZFFM5308



Place: New Delhi

Date: August 11th, 2023

Place: New Delhi

Date: August 11th, 2023

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Annexure – I to the Independent Auditors' Review Report
(Referred to in Para 3 of our report of even date)

- i. The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the Quarter ended 30th June 2023 as well as in the previous year 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 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.

Further, Union Cabinet has also approved the "Revival plan of BSNL and MTNL" by reducing employee costs, administrative allotment of spectrum for 4G services, debt restructuring by raising of sovereign guarantee bonds, monetization of assets and in principle approval for merger of BSNL and MTNL. Further, the Company had implemented the Voluntary Retirement Scheme in FY 2019-20 resulted into reduction in Employees Cost and also raised funds by issuing Bonds for ₹ 6,500 crore in FY 2020-21 in line with cabinet note

As per F.NO.20-28/2022-PR dated 2nd August, 2022, the Union Cabinet in its meeting held on 27.07.2022 had approved the raising of Sovereign Guarantee bonds for MTNL with a tenure of 10 years or more for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high cost debt and restructure it with new sustainable loan. During the year ended March 31, 2023, the company had raised Rs. 10,910/- Crores and Rs. 2,480 raised in the month of July, 2023.

ii. **Bharat Sanchar Nigam Limited (BSNL):**

- a) The Company has certain balances receivable from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3589.65 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial result for the quarter ended June 30th, 2023 of the Company.



- b) 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. 115.97 Crores has not been carried forward resulting in overstatement of Current Assets and understatement of loss to that extent.
- iii. The Company has certain balances receivable from and payable to the Department of Telecommunication (DOT). The net amount recoverable of Rs. 56.71 Crores, out of which Rs. 56.55 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on standalone Ind AS financial results for the quarter ended June 30th, 2023 of the Company.
- iv. Up to the 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 onwards, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent.
- v. 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, during the year, with reference to Indian Accounting Standard – 36 “Impairment of Assets” prescribed under Section 133 of the Companies Act 2013. In view of uncertainty in achievement of future projections made by the Company, we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the quarter ended June 30th, 2023, accumulated balance of other equity and also the carrying value of the cash generating units.
- vi. The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and other parties and amount payable to trade payables, claim payable to operators, and amount payable to other parties.

Accordingly, amounts receivable from and payable to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliation, the impact thereof on the standalone financial results for the quarter ended June 30th, 2023 are not ascertainable and quantifiable.



- vii. Unlinked credit of Rs. 82.76 Crore on account of receipts from subscribers against billing by the Company which could not be matched with corresponding receivables is appearing as liabilities in the balance sheet. To that extent, trade receivables and current liabilities are overstated. Pending reconciliations, the impact thereof on the standalone financial results for the quarter ended June 30th, 2023 are not ascertainable and quantifiable.
- viii. Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by the 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. We are unable to comment whether the Capital Work-in-progress (CWIP) shown in books in the current quarter are actually part of CWIP or have already been commissioned. The resultant impact of the same on the standalone Ind AS financial result for the quarter ended June 30th, 2023 by way of depreciation cannot be ascertained and quantified.
- ix. Department of Telecommunication (DOT) had raised a demand of Rs. 3,313.15 Crore in 2012-13 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 per the company, demand for spectrum usage for CDMA for Rs 107.44 Crore has been withdrawn by DOT 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 private operators and because of the matter being sub-judice in the Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3,205.71 Crores has been disclosed as contingent liability till FY 2018-19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTSC on spectrum allotted beyond 6.2 MHz, directed Govt. to review the demand for spectrum allotted after 1-7-2008 and that too w.e.f, 1-1-2013 in case the spectrum beyond 6.2 MHz was allotted before 1-1-2013. As explained, as per the TDSAT orders also no further demand has been raised till now and as per management based on TDSAT direction the demand, if any, cannot be more than Rs. 455.15 crores the same is considered as contingent liability.

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 standalone Ind AS financial results for the quarter ended June 30th, 2023 of the Company.

- x. The company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter in some of the cases. The actual impact of the same on the standalone Ind AS financial results for the quarter ended June 30th, 2023, has not been ascertained and quantified.



- xi. The TDS on provision for Expenses (Accrued Liability) has not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the standalone Ind AS financial results for the quarter ended June 30th, 2023, has not been ascertained and quantified.
- xii. The Company is making the provision for interest for late/non-payment to MSME vendors which is subject to deduction of tax under section 194A of Income Tax Act, 1961. The actual impact of the same on the standalone Ind-AS financial results for the quarter ended June 30th, 2023, has not been ascertained and quantified.
- xiii. The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs. 8.38 Crores accrued during the quarter ended June 30th 2023, has not been recognized in Delhi unit in the Standalone Ind-AS financial result. Further, the Goods and Services Tax (GST) has also not been considered in respect of income arising on account of rented property occupied by the BSNL for both Delhi and Mumbai unit. The accumulated impact on the standalone Ind-AS financial result of such income and liability under Goods and Services Tax (GST) for the current quarter and preceding years is not ascertained and quantified.
- xiv. Company's investment in its associates "United Telecom Limited (UTL)" aggregating Rs. 35.85 Crore has been classified as 'Assets-held-for-sale' however, we have not been made available with the 'fair value less costs to sell' to arrive at the lower of 'carrying amount' and 'fair value less costs to sell' as required pursuant to the measurement principles enumerated in IND AS 105. On our review of the latest available financial results of the UTL, we have noticed that the net worth has been fully eroded and is negative. Further, the said investment has been classified as Asset-held-for-sale since Year 2018, which is contrary to the recognition principles of IND AS 105 as the expected sale has not been completed within one year from classification. The impact of the aforesaid on the standalone Ind-AS financial results for the quarter ended June 30, 2023 has not been ascertained and quantified.
- xv. The company has not recognized for loss allowance for trade receivables as per the requirements of Ind AS 109 "Financial Instruments" amounting to Rs. 69.84 crore relating to companies which are under insolvency process and certain trade receivables amounting to Rs.11.55 crore pertaining to infrastructure business, wherein there is significant increase in credit risk.
- xvi. Out of the total revenue from operations for the quarter ended June 30th, 2023, revenue of Rs. 5.18 Crores has been computed and accounted on provisional basis.

The above basis for qualified conclusion referred to in Para no. (i) to (xv) were subject matter of qualification in the Auditor's Report for the year ended on March 31st, 2023.



In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (v), (vi), (vii),(viii), (ix), (x), (xi), (xii), (xiii) and (xiv) on the standalone financial result of the Company for the quarter ended June 30th, 2023.

For SPMG & Co.
Chartered Accountants
Firm Registration No.: 509249C

Mandeep Singh Arora


CA Mandeep Singh Arora
Partner
Membership No.: 091243
UDIN: 23091243BGSKCS2328

Place: New Delhi
Date: August 11th, 2023

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla



CA Abhinav Khosla
Partner
Membership No.: 087010
UDIN: 23087010BGZFFM5308

Place: New Delhi
Date: August 11th, 2023

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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30/06/2023

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED			
		Three Month Ended			Year Ended
		3 months ended 30/06/2023	Preceding 3 months ended 31/03/2023	Corresponding 3 months ended 30/06/2022 in the previous year	Previous year ended 31/03/2023
	UNAUDITED	AUDITED *	UNAUDITED	AUDITED	
I	Revenue from operations	199.48	219.18	250.72	935.23
II	Other Income	113.07	198.97	149.83	613.09
III	Total Income (I +II)	312.55	418.14	400.55	1,548.32
IV	Expenses				
	Purchases of stock-in-trade	0.72	1.51	1.10	6.47
	License Fees & Spectrum Charges	18.43	19.83	24.11	88.54
	Employee benefits expense	150.32	146.84	139.75	549.39
	Finance cost	645.26	640.94	540.15	2,354.38
	Revenue Sharing	14.54	23.19	16.92	73.88
	Depreciation and amortization expense	165.64	181.46	183.29	729.74
	Other Expenses	169.96	153.45	148.62	662.78
	Total Expenses (IV)	1,164.87	1,167.22	1,053.93	4,465.18
V	Profits/(Loss) before exceptional items and tax(III-IV)	(852.32)	(749.07)	(653.38)	(2,916.85)
VI	Share of Profit/(loss) in investments accounted for using equity method	0.39	0.03	0.32	1.24
VII	Exceptional items	-	-	-	-
VIII	Profit/ (Loss) before tax (V+ VI-VII)	(851.93)	(749.05)	(653.07)	(2,915.61)
IX	Tax expense:				
	(1) Current tax	-	0.12	-	0.12
	(2) Deferred tax	-	(0.61)	-	(0.61)
X	Profit/ (Loss) for the period from continuing operations (VIII - IX)	(851.93)	(748.55)	(653.07)	(2,915.11)
XI	Profit/ (Loss) from discontinued operations	-	-	-	-
XII	Tax expense of discontinued operations	-	-	-	-
XIII	Profit/ (Loss) from Discontinued Operations (after tax) (XI-XII)	-	-	-	-
XIV	Profit/ (Loss) for the period (X + XIII)	(851.93)	(748.55)	(653.07)	(2,915.11)
XV	Other Comprehensive Income				
A	i) Items that will not be reclassified to profit and loss	(1.12)	(8.10)	-	(4.48)
	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	(3.73)	(0.12)	-	4.12
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Other Comprehensive Income for the year	(4.85)	(8.22)	-	(0.35)
XVI	Total Comprehensive Income for the period (XIV+XV)	(856.78)	(756.77)	(653.07)	(2,915.46)
XVII	Paid up Equity Share Capital				630.00
XVIII	Other Equity excluding revaluation reserves				(21,484.94)
XIX	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)				
	(1) Basic	(13.52)	(11.88)	(10.37)	(46.27)
	(2) Diluted	(13.52)	(11.88)	(10.37)	(46.27)
XX	Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised) (In Rs.)				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
XXI	Earnings per equity Share of Rs.10 each (for discontinued & continuing operations): (not annualised) (In Rs.)				
	(1) Basic	(13.52)	(11.88)	(10.37)	(46.27)
	(2) Diluted	(13.52)	(11.88)	(10.37)	(46.27)

See accompanying notes to the financial results

May kindly sign,

 Dir (fin)



Sumit
 11/08/2023
 CS



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

15

CIN No: L32101DL1986GOI023501

UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER ENDED ON 30/06/2023

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED			
		Three Month Ended			Year Ended
		3 months ended 30/06/2023	Preceeding 3 months ended 31/03/2023	Corresponding 3 months ended 30/06/2022 in the previous year	Previous year ended 31/03/2023
	UNAUDITED	AUDITED *	UNAUDITED	AUDITED	
1.	Revenue from Operations				
	Basic & other Services	177.03	188.68	223.37	810.86
	Cellular	22.78	30.84	27.69	125.78
	Unallocable	-	-	-	-
	Total	199.81	219.52	251.06	936.64
	Less: Inter Segment Revenue	0.33	0.34	0.34	1.41
	Net Revenue from Operations	199.48	219.18	250.72	935.23
2.	Segment Result before interest income, exceptional items, finance cost and tax				
	Basic & other Services	(102.02)	(7.78)	9.74	(68.20)
	Cellular	(107.77)	(126.40)	(114.19)	(496.02)
	Unallocable	(0.40)	24.31	(11.54)	(9.00)
	Total	(210.19)	(109.87)	(115.99)	(573.22)
	Add: Exceptional items	-	-	-	-
	Add: Interest Income	3.13	1.73	2.75	10.75
	Less: Finance cost	645.26	640.94	540.15	2,354.38
	Add: Share of profit or loss from Associates/ JV	0.39	0.03	0.32	1.24
	Profit/ (Loss) before tax	(851.93)	(749.05)	(653.07)	(2915.61)
	Less: Provision for Current Tax & Deferred tax	-	(0.50)	-	(0.50)
	Profit/ (Loss) after tax	(851.93)	(748.55)	(653.07)	(2915.11)
3	Segment Assets				
	Basic & other Services	6,311.34	6,381.49	6,607.38	6,381.49
	Cellular	3,566.95	3,663.96	3,979.59	3,663.96
	Unallocable/Eliminations	1,455.28	1,598.53	1,447.59	1,598.53
	Total Segment Assets	11,333.57	11,643.99	12,034.56	11,643.99
4	Segment Liabilities				
	Basic & other Services	2,620.53	2,500.74	2,708.03	2,500.74
	Cellular	28,655.48	28,088.03	26,630.92	28,088.03
	Unallocable/Eliminations	1,759.76	1,910.16	2,016.93	1,910.16
	Total Segment Liabilities	33,035.77	32,498.93	31,355.88	32,498.93

See accompanying notes to the financial results:



Notes to Consolidated Financial Results:

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- The financial results have been prepared in accordance with the Indian Accounting Standards (Ind- AS) as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- The above results have been reviewed by the Audit Committee in their meeting held on 11.08.2023 and approved by the Board of Directors of the Company at their meeting held on the same date.
- Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015

S.No.	Particulars	Three Month Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		UNAUDITED	AUDITED *	UNAUDITED	AUDITED
a	Debt Service Coverage Ratio (In times) [EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt)]	(0.06)	0.04	0.06	0.02
b	Interest Service Coverage Ratio (In times) [EBITDA/Finance Cost]	(0.06)	0.12	0.13	0.07
c	Outstanding Redeemable Preference shares (quantity and value) (in Rs Crs)	-	-	-	-
d	Capital Redemption Reserve (in Rs Crs)	-	-	-	-
e	Debenture Redemption Reserve (in Rs Crs) #	-	-	-	-
f	Net Worth (in Rs Crs) (As per Section 2(57) of Companies Act 2013)	(21,702.20)	(20,854.94)	(19,321.32)	(20,854.94)
g	Net Profit/ (Loss) After Tax (in Rs Crs)	(851.93)	(748.55)	(653.07)	(2,915.11)
h	Earnings Per Share (in Rs) [Not Annualised]	(13.52)	(11.88)	(10.37)	(46.27)
i	Current Ratio (in times) [Current Assets /Current Liabilities]	0.42	0.47	0.43	0.47
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.33)	(1.35)	(1.41)	(1.35)
k	Long Term Debt to Working Capital (in times) Long Term Debt excluding lease liability + Current Maturities of Long Term Debt Working Capital excluding current maturities of Long Term Borrowings	(7.31)	(9.21)	(3.73)	(9.21)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.00	0.01	0.01	0.09
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.41	0.38	0.47	0.38
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	2.56	2.43	2.28	2.43
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.32	1.44	1.32	1.49
p	** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)	23,512.31	23,499.69	19,112.21	23,499.69
q	Operating Margin (%) [(EBIT - Other Income)/ Revenue from Operations]	(160.29)%	(139.88)%	(104.79)%	(125.51)%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	(427.08)%	(341.52)%	(260.47)%	(311.70)%

- * The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
- # MTNL is a listed company and issued debentures on private placement basis, there is no requirement to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) of Companies (Share Capital and Debenture) Rules, 2014.
- ** Paidup debt Capital/Outstanding Debt (excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 4,533.97 Cr for which the liability to pay interest and principal is on Government of India). Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- As the principal activities of group company are in the nature of services, so Inventory Turnover ratio is not relevant.
- The Company had claimed benefit under section 80IA of the Income Tax Act, 1961 for the financial year from 1997-98 to 2005-06 for balance of 25 % of the amount claimed and unsettled. The provision of Rs. 375.96 crores for claim is retained while showing Rs. 243.22 crores as contingent reserve to meet any contingency.



Notes to Consolidated Financial Results:

- 9 The arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against MTNL for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs. 0.61 Crore was also awarded to Canara Bank and Rs.0.32 Crore to CANFINA as costs. MTNL filed OMP (COMM) No.312 of 2022 before Hon'ble Delhi High Court to set aside the Award along with an IA No.14319 Of 2022 seeking unconditional stay on the operation of said award. Further Canara Bank and Canfina also filed applications for enforcement of said award dated 03.03.2022. Canara Bank's OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO.155 of 2022. Hon'ble HC schedule the next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Banks OMP and Canfina OMP on 22.08.2023. The amount of award along with interest therefore has been disclosed as contingent liability.
- 10 MTNL dispute with M/s. M & N Publications Limited in connection with telephone directories of years 1993-98 and the subsequent awards by arbitrator in respect of MTNL are challenged by M/s. M & N Publications Limited. The claim of Rs. 65.04 crores on this account has been shown as contingent liability in Delhi unit.
- 11 The maintenance and running of MTNL wireless network has been handed over to BSNL as an outsource agency from 01.04.2021 (in case of Delhi) and from 01.09.2021 (in case of Mumbai) onwards to improve the quality of services. MTNL has initiated the process for raising the claims for gap funding. The financial impact of same, if any, will be accounted for on finalisation of operational modalities.
- 12 The Amounts recoverable from Department of Telecommunication (DOT) of Rs. 6.52 Crore in respect of settlement of General Provident Fund (GPF) of Combined Service Optees absorbed employees is under review with DOT and hence continued to be shown as recoverable from DOT and payable to GPF.
- 13 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.
- 14 The License agreement between Company and 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.
- 15 The financial results have been reviewed by the Statutory Auditors as required under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 16 The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation.

For and on behalf of the Board

Place : New Delhi
Date : 11.08.2023



Handwritten signature 'P.K. Purwar' with a horizontal line extending to the right.

(P.K.Purwar)
Chairman & Managing Director
DIN: 06619060

SPMG & Co.
CHARTERED ACCOUNTANTS
3322-A, 2nd Floor,
Bank Street, Karol Bagh,
New Delhi – 110005

SCV & Co. LLP
Chartered Accountants
B-41, Panchsheel Enclave
New Delhi-110017

Independent Auditor's Review Report on Consolidated Unaudited Financial Results for the Quarter Ended June 30th, 2023 of Mahanagar Telephone Nigam Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors
Mahanagar Telephone Nigam Limited
Mahanagar Doorsanchar Sadan,
5th Floor, 9, CGO Complex,
Lodhi Road, New Delhi - 110 003

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Mahanagar Telephone Nigam Limited** ("The Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "The Group"), and its share of the net profit after tax and total comprehensive income of its a joint venture and associate for the quarter ended June 30th, 2023 ("The Statement") attached herewith, being submitted by the Parent Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent Company's Management and approved by the Parent Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is 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.



We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

(a) **List of Subsidiaries:**

- Mahanagar Telephone (Mauritius) Limited ('MTML')
- Millenium Telecom Limited

(b) **List of Joint Venture:**

- MTNL STPI IT Services Limited ('MSISL')

(c) **List of Associate:**

- United Telecommunications Limited ('UTL')

5. **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.

6. **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 consolidated financial results read with notes thereon, prepared in accordance with the applicable Indian Accounting Standards (Ind-AS) 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 and 52, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. **Emphasis of Matter**

We draw to attention to following notes to the unaudited consolidated financial results: -

- i. Note No. 8: With reference to pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the parent company u/s 80 IA of the Income Tax Act, 1961.

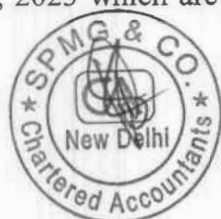


- ii. Note No. 10: Impact of accounting of claims and counter claims of the Parent company with M/s M&N Publications Ltd., in a dispute over printing, publishing and supply of telephone directories for MTNL, will be given in the year when the ultimate collection / payment of the same becomes reasonably certain.
- iii. Note No. 11 The operations and maintenance of wireless network of the Parent company has been handed over to BSNL as an outsource agency from 1.4.2021 (in case of Delhi) and 1.9.2021 (in case of Mumbai) onwards. Pending finalization of standard operating procedures the financial impact of the same (if any) will be accounted for on finalization of operational modalities.
- iv. Note No. 12: In case of Parent company, the amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) of Combined Service Optees absorbed employees in Parent Company and the matter has been under review with DOT and the full amount of GPF including interest thereon, claimed of the Parent Company in respect of which correspondence in going on between the Parent Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.
- v. Note No 13 In case of Parent company, 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 is going on between the Parent Company and DOT.
- vi. Note No 14: The License agreement between Parent Company and 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.

Our conclusion is not modified in respect of aforesaid matters.

Other Matter

8. a) The Statement includes interim financial results and other financial information of 2 subsidiaries whose interim financial results and other financial information reflect total income of Rs. 15.67, net loss of Rs. 2.18 Crores, and total comprehensive income of Rs. (3.73) for the quarter ended June 30th 2023 and the interim financial results and other financial information of 1 joint venture which reflects Group's share of net profit after tax of Rs. 0.39 Crores and total comprehensive income of Rs. NIL for the quarter ended June 30th, 2023 which are certified by the Management. The accompanying consolidated financial results also includes unaudited financial results and other unaudited financial information in respect of 1 associate, whose financial results/information reflect the Group's share of net loss and the Group's share of total comprehensive loss of Rs. NIL, for the quarter ended June 30th, 2023 which are certified by the Management. According to the information and




explanations given to us by the Management, these interim financial results and other financial information are not material to the Group.

- 9. Attention is drawn to the fact that the figures for the quarter ended March 31st, 2023 as reported in these consolidated unaudited financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Our conclusion on the Statement is not modified in respect of aforesaid matters.


For SPMG & Co.
Chartered Accountants
Firm Registration No.: 509249C

Mandeep Singh


CA Mandeep Singh Arora
Partner
Membership No.: 091243
UDIN: 23091243BGSKCR3805

Place: New Delhi
Date: August 11th, 2023

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla


CA Abhinav Khosla
Partner
Membership No.: 087010
UDIN: 23087010BGZFFN6848

Place: New Delhi
Date: August 11th, 2023

SPMG & Co.
CHARTERED ACCOUNTANTS
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**Annexure – I to the Independent Auditors’ Review Report
(Referred to in Para 3 of our report of even date)**

- i. The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the Quarter ended 30th June 2023 as well as in the previous year 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 consolidated financial results of the Company have been prepared on a going concern basis keeping in view the majority stake of the Government of India.

Further, Union Cabinet has also approved the “Revival plan of BSNL and MTNL” by reducing employee costs, administrative allotment of spectrum for 4G services, debt restructuring by raising of sovereign guarantee bonds, monetization of assets and in principle approval for merger of BSNL and MTNL. Further, the Company had implemented the Voluntary Retirement Scheme in FY 2019-20 resulted into reduction in Employees Cost and also raised funds by issuing Bonds for ₹ 6,500 crore in FY 2020-21 in line with cabinet note.

As per F.NO.20-28/2022-PR dated 2nd August, 2022, the Union Cabinet in its meeting held on 27.07.2022 had approved the raising of Sovereign Guarantee bonds for MTNL with a tenure of 10 years or more for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high cost debt and restructure it with new sustainable loan. During the year ended March 31, 2023, the company had raised Rs. 10,910/- Crores and Rs. 2,480 raised in the month of July, 2023.

ii. **Bharat Sanchar Nigam Limited (BSNL):**

- a) The Company has certain balances receivable from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3,589.65 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the Consolidated Ind-AS financial result for the quarter ended June 30th, 2023 of the Company.



- b) 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. 115.97 Crores has not been carried forward resulting in overstatement of Current Assets and understatement of loss to that extent.
- iii. The Company has certain balances receivable from and payable to the Department of Telecommunication (DOT). The net amount recoverable of Rs. 56.71 Crores, out of which Rs. 56.55 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on consolidated Ind AS financial results for the quarter ended June 30th, 2023 of the Company.
- iv. Up to the 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 onwards, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent.
- v. 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, during the year, with reference to Indian Accounting Standard – 36 “Impairment of Assets” prescribed under Section 133 of the Companies Act 2013. In view of uncertainty in achievement of future projections made by the Company, we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the quarter ended June 30th, 2023, accumulated balance of other equity and also the carrying value of the cash generating units.
- vi. The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and other parties and amount payable to trade payables, claim payable to operators, and amount payable to other parties.

Accordingly, amounts receivable from and payable to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliation, the impact thereof on the consolidated financial results for the quarter ended June 30th, 2023 are not ascertainable and quantifiable.

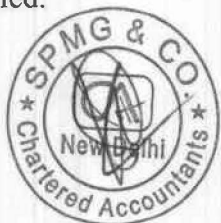


- vii. Unlinked credit of Rs. 82.76 Crore on account of receipts from subscribers against billing by the Company which could not be matched with corresponding receivables is appearing as liabilities in the balance sheet. To that extent, trade receivables and current liabilities are overstated. Pending reconciliations, the impact thereof on the consolidated financial results for the quarter ended June 30th, 2023 are not ascertainable and quantifiable.
- viii. Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by the 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. We are unable to comment whether the Capital Work-in-progress (CWIP) shown in books in the current quarter are actually part of CWIP or have already been commissioned. The resultant impact of the same on the consolidated Ind AS financial result for the quarter ended June 30th, 2023 by way of depreciation cannot be ascertained and quantified.
- ix. Department of Telecommunication (DOT) had raised a demand of Rs. 3,313.15 Crore in 2012-13 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 per the company, demand for spectrum usage for CDMA for Rs 107.44 Crore has been withdrawn by DOT 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 private operators and because of the matter being sub-judice in the Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3,205.71 Crores has been disclosed as contingent liability till FY 2018-19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTSC on spectrum allotted beyond 6.2 MHz, directed Govt. to review the demand for spectrum allotted after 1-7-2008 and that too w.e.f, 1-1-2013 in case the spectrum beyond 6.2 MHz was allotted before 1-1-2013. As explained, as per the TDSAT orders also no further demand has been raised till now and as per management based on TDSAT direction the demand, if any, cannot be more than Rs. 455.15 crores the same is considered as contingent liability.

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 consolidated Ind AS financial results for the quarter ended June 30th, 2023 of the Company.

- x. The company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter in some of the cases. The actual impact of the same on the consolidated Ind AS financial results for the quarter ended June 30th, 2023, has not been ascertained and quantified.



- xi. The TDS on provision for Expenses (Accrued Liability) has not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the consolidated Ind AS financial results for the quarter ended June 30th, 2023, has not been ascertained and quantified.
- xii. The Company is making the provision for interest for late/non-payment to MSME vendors which is subject to deduction of tax under section 194A of Income Tax Act, 1961. The actual impact of the same on the consolidated Ind-AS financial results for the quarter ended June 30th, 2023, has not been ascertained and quantified.
- xiii. The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs. 8.38 Crores accrued during the quarter ended June 30th 2023, has not been recognized in Delhi unit in the Consolidated Ind-AS financial result. Further, the Goods and Services Tax (GST) has also not been considered in respect of income arising on account of rented property occupied by the BSNL for both Delhi and Mumbai unit. The accumulated impact on the consolidated Ind-AS financial result of such income and liability under Goods and Services Tax (GST) for the current quarter and preceding years is not ascertained and quantified.
- xiv. Company's investment in its associates "United Telecom Limited (UTL)" aggregating Rs. 35.85 Crore has been classified as 'Assets-held-for-sale' however, we have not been made available with the 'fair value less costs to sell' to arrive at the lower of 'carrying amount' and 'fair value less costs to sell' as required pursuant to the measurement principles enumerated in IND AS 105. On our review of the latest available financial statements of the UTL, we have noticed that the net worth has been fully eroded and is negative. Further, the said investment has been classified as Asset-held-for-sale since Year 2018, which is contrary to the recognition principles of IND AS 105 as the expected sale has not been completed within one year from classification. The impact of the aforesaid on the consolidated Ind-AS financial result for the quarter ended June 30th, 2023 has not been ascertained and quantified.
- xv. The company has not recognized for loss allowance for trade receivables as per the requirements of Ind AS 109 "Financial Instruments" amounting to Rs.69.84 crore relating to companies which are under insolvency process and certain trade receivables amounting to Rs.11.55 crore pertaining to infrastructure business, wherein there is significant increase in credit risk.
- xvi. Out of the total revenue from operations for the quarter ended June 30th, 2023, revenue of Rs. 5.18 Crores has been computed and accounted on provisional basis.


The above basis for qualified conclusion referred to in Para no. (i) to (xv) were subject matter of qualification in the Auditor's Report for the year ended on March 31st, 2023.



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In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (v), (vi), (vii),(viii), (ix), (x), (xi), (xii), (xiii) and (xiv) on the consolidated financial result of the Company for the quarter ended June 30th, 2023.


For SPMG & Co.
Chartered Accountants
Firm Registration No.: 509249C

Mandeep Singh


CA Mandeep Singh Arora
Partner
Membership No.: 091243
UDIN: 23091243BGSKCR3805

Place: New Delhi
Date: August 11th, 2023

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No.: 000235N/N500089

Abhinav Khosla


CA Abhinav Khosla
Partner
Membership No.: 087010
UDIN: 23087010BGZFFN6848

Place: New Delhi
Date: August 11th, 2023

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 UNAUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30/06/2023

(Rs. in Crore)

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Particulars	STANDALONE			CONSOLIDATED		
	Three Month Ended		Year Ended	Three Month Ended		Year Ended
	3 months ended 30/06/2023	Corresponding 3 months ended 30/06/2022 in the previous year	Previous year ended 31/03/2023	3 months ended 30/06/2023	Corresponding 3 months ended 30/06/2022 in the previous year	Previous year ended 31/03/2023
	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED
1 Total Income from Operations	184.57	235.83	861.57	199.48	250.72	935.23
2 Net Profit/ (Loss) for the period before exceptional items & tax	(850.15)	(649.84)	(2,910.74)	(851.93)	(653.07)	(2,915.61)
3 Net Profit/ (Loss) for the period before Tax(after Exceptional items)	(850.15)	(649.84)	(2,910.74)	(851.93)	(653.07)	(2,915.61)
4 Net Profit/ (Loss) for the period after Tax	(850.15)	(649.84)	(2,910.74)	(851.93)	(653.07)	(2,915.11)
5 Total Comprehensive Income for the period (Comprising net profit/(loss) after tax and other comprehensive income after tax)	(851.27)	(649.84)	(2,915.22)	(856.78)	(653.07)	(2,915.46)
6 Paid up Equity Share Capital	630.00	630.00	630.00	630.00	630.00	630.00
7 Other Equity excluding revaluation reserves	(22,314.64)	(19,936.29)	(21,472.90)	(22,332.20)	(19,951.32)	(21,484.94)
8 Securities Premium Account	665.00	665.00	665.00	665.00	665.00	665.00
9 Net Worth	(21,684.64)	(19,306.29)	(20,842.90)	(21,702.20)	(19,321.32)	(20,854.94)
10 Paid up Debt Capital/ Outstanding Debt	23,512.31	19,112.21	23,499.69	23,512.31	19,112.21	23,499.69
11 Outstanding Redeemable Preference Shares	-	-	-	-	-	-
12 Debt Equity Ratio (In times)	(1.33)	(1.41)	(1.35)	(1.33)	(1.41)	(1.35)
13 Earnings Per Share (of Rs.10 each) for continuing and discontinued operations- (not annualised) (In Rs.)						
1. Basic	(13.49)	(10.31)	(46.20)	(13.52)	(10.37)	(46.27)
2. Diluted	(13.49)	(10.31)	(46.20)	(13.52)	(10.37)	(46.27)
14 Capital Redemption Reserve	-	-	-	-	-	-
15 Debenture Redemption Reserve	-	-	-	-	-	-
16 Debt Service Coverage Ratio (DSCR) (In times)	(0.06)	0.06	0.02	(0.06)	0.06	0.02
17 Interest Service Coverage Ratio (ISCR) (In times)	(0.06)	0.13	0.07	(0.06)	0.13	0.07

Notes:

1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 and 52 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. The above results have been reviewed by the Audit Committee in their meeting held on 11.08.2023 and approved by the Board of Directors of the Company at their meeting held on the same date.
3. For the other line items referred in Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, 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.
4. 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.

Place: New Delhi
Date: 11.08.2023



For and on behalf of the Board

(Signature)

(P K Purwar)

Chairman & Managing Director
DIN: 06619060

A. Statement of Utilization of Issue Proceeds (for the quarter ended 30.06.2023)

Name of the Issuer	ISIN	Mode of Fund Raising (Public Issues/Private Placement)	Type of Instrument	Date of raising funds	Amount Raised (In Rs Crs)	Funds Utilized (In Rs Crs)	Any Deviation (Yes/No)	If B is yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
MAHANAGAR TELEPHONE NIGAM LIMITED (MTNL)					NIL				
Total									

B. Statement of Deviation/ variation in use of Issue Proceeds (for the quarter ended 30.06.2023)

Particulars	Remarks
Name of listed entity	MAHANAGAR TELEPHONE NIGAM LIMITED (MTNL)
Mode of fund raising	
Type of instrument	
Date of raising funds	
Amount raised (In Rs Cr)	NIL
Report filed for quarter ended	June 30, 2023
Is there a deviation/ variation in use of funds raised?	NA
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	
If yes, details of the approval so required?	
Date of approval	
Explanation for the deviation/ variation	Not Applicable
Comments of the audit committee after review	
Comments of the auditors, if any	
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:	

Series	Original object	Modified object, if any	Original allocation (Amount in Rs Cr)	Modified allocation, if any	Funds utilized	Amount of deviation/ variation for the quarter according to applicable object (In Rs. crore and in %)	Remarks, if any

Deviation could mean:

- a. Deviation in the objects or purposes for which the funds have been raised.
- b. Deviation in the amount of funds actually utilized as against what was originally disclosed.

Sign of Signatory



Name of signatory: R M Sumit

Designation: Company Secretary

Date: June 30, 2023

रतन मनी सुमित
RATAN MANI SUMIT
 कम्पनी सचिव / Company Secretary
 म.टे.नि.लि. निगम कार्यालय / M.T.N.L., Corporate Office
 महानगर दूरसंचार सदन / Mahanagar Doorsanchar Sadan
 9, सी.जी.ओ. कॉम्प्लेक्स, नई दिल्ली-3 / 9, C.G.O. Complex, Lodi Road, New Delhi-3