



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

Registered and Corporate Office: Mahanagar Doorsanchar Sadan 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi - 110 003. Tel: 011-24319020, Fax: 011-24324243, Website: www.mtnl.net.in
[/www.bol.net.in](http://www.bol.net.in)

MTNL/SECTT/SE/2023
May 10, 2023

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

Ref: BSE Scrip Code: 500108/ NSE Symbol: MTNL
Sub: ANNUAL SECRETARIAL COMPLIANCE REPORT OF MTNL FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023.

Dear Sir,

Kindly find enclosed Annual Secretarial Compliance Report pursuant to SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by M/s. Mritunjay Shekhar & Associates, Practicing Company Secretaries for the Financial Year ended on 31st March, 2023.

Kindly take the same on record.

Thanking you,
Yours faithfully,

Sumit
10/05/2023

(RATAN MANI SUMIT)
COMPANY SECRETARY

Encl: As above
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, Lodhi Road, New Delhi-3



MRITUNJAY SHEKHAR & ASSOCIATES
Company Secretaries
Email – shekharmritunjay3@gmail.com
MNo.9540043975/8076567045

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FRN-S2018DE619000
P R -2919/2023

ANNUAL SECRETARIAL COMPLIANCE REPORT
OF
M/S. MAHANAGAR TELEPHONE NIGAM LIMITED
FOR THE YEAR ENDED 31st MARCH 2023

*(Pursuant to circular CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued
by the Securities Exchange Board of India)*

We, Mritunjay Shekhar & Associates, Company Secretaries have examined:

- All the documents and records made available to us and explanation provided by **M/s Mahanagar Telephone Nigam Limited**.
- the filings/ submissions made by the listed entity to the stock exchanges,
- the website of the listed entity,
- any other document/ filing, as may be relevant,

Which has been relied upon to make this certification, for the year ended 31st March 2023 ("Review Period") in respect of compliance with the provisions of :-

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI"); The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Take over Regulations) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and based on the above examination,

We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and Circulars/ Guidelines issued thereunder except in respect of matters specified below:-

Sl No.	Compliance Requirement (Regulations/ Circulars /guidelines including specific clause)	Regulation / Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/R emarks of the Practicing Company Secretary	Management Response	Remarks
1.	Composition of Board Directors	Regulation 17(1) of SEBI (LODR) Regulations, 2015	Non-compliance with the requirements pertaining to the Composition of the Board of Directors,	NSE & BSE	IMPOSITION OF FINES	GIVEN IN ANNEXURE TO THE REPORT	GIVEN IN ANNEXURE TO THE REPORT	As per the Information received from the Company, the Composition of Board of Directors is not in the terms of SEBI (LODR) Regulations, 2015 for the FY 2022-23.	Reply of MTNL is given in Annexure (I,II, IV & V) to this Report	
2.	Prior Intimation of the Board Meeting	Regulation 29(2)(3) of SEBI (LODR) Regulations, 2015	Non-compliance with the requirements pertaining to the Prior Intimation of the Board Meeting	NSE	Imposition of Fine	GIVEN IN ANNEXURE TO THE REPORT	GIVEN IN ANNEXURE TO THE REPORT	Non-compliance with the requirements pertaining to the Prior Intimation of the Board Meeting	Reply of MTNL is given in Annexure (III) to this Report	
3	Maintenance of SDD Software	Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Not using any software to preserve data with adequate control and checks	NSE	Pointed out during Virtual Inspection	Company is maintaining data in the excel sheet and not using any software to preserve data with adequate control and checks	NIL	Company is maintaining data in the excel sheet and not using any software to preserve data with adequate control and checks	The Company is in process of arranging the Hardware and Software requirement for installation of SDD Software, presently maintaining data in the excel sheet.	

(b) The listed entity has, taken the following actions to comply with the observations made in previous reports:

Sl No.	Compliance Requirement (Regulations/ Circulars /guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Composition of the Board including failure to appoint woman director and quorum for meeting of the Board of Directors, Provisions pertaining to Audit Committee Composition, Provisions pertaining to Nomination and Remuneration Committee Composition, Provisions pertaining to Stakeholders Relationship Committee Composition and Provisions pertaining to Risk Management Committee Composition.	Regulation 17(1), 17(2A), 18 (1), 19(1)/19(2) and 20 of SEBI (LODR) Regulations, 2015	Non-compliance with the requirements pertaining to the Composition of the Board including failure to appoint woman director and quorum for meeting of the Board of Directors, Provisions pertaining to Audit Committee Composition, Provisions pertaining to Nomination and Remuneration Committee Composition, Provisions pertaining to Stakeholders Relationship Committee Composition and Provisions pertaining to Risk Management Committee Composition.,	NSE & BSE	IMPOSITION OF FINES			Detailed in the Annexure to the Report	The Board of Directors of MTNL in its 348 th Board Meeting held on 12.11.2021 has appointed Four Independent Directors. Also one more Independent director was appointed on 21.04.2022.	

ADDITIONAL AFFIRMATIONS:-

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<p>Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	YES	
2.	<p>Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI </p>	<ul style="list-style-type: none"> • YES • YES 	All the policies are in conformity with SEBI Regulations whereas the company is in the process of updating its Related Party Transaction Policy
3.	<p>Maintenance and disclosures on Website: <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website </p>	YES	
4.	<p>Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	YES	
5.	<p>To examine details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	<p>a. NOT APPLICABLE b. YES</p>	
6.	<p>Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015</p>	YES	
7.	Performance Evaluation:	NA	MCA through General circular

	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations		dated 05/06/2015 has exempted Govt. Companies from the Provisions of 178(2) of the Companies Act 2013
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	NA	
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	NO	The Company is in process of arranging the Hardware and Software requirement for installation of SDD Software.
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	NO	Detailed in Annexure to the report.
12.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	N/A	

*Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

For MRITUNJAY SHEKHAR & ASSOCIATES

Company Secretaries

MRITUNJAY
CHANDRA
SHEKHAR

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MRITUNJAY CHANDRA
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MRITUNJAY CHANDR ASHEKHAR

ACS/ FCS No.: 17250

C P No.: 20871

UDIN: A017250E000257820

Peer Review No. 2919/2023

Date: 05/05/2023

Place: NEW DELHI

ANNEXURES TO ANNUAL SECRETARIAL COMPLIANCE REPORT OF M/s. MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE YEAR ENDED 31st MARCH 2023

ANNEXURE I

Clarifications submitted by MTNL vide its letter no. MTNL/SECTT/SE/2022 Dated 24/05/2022 to NSE letter no. NSE/LIST-SOP/COMB/FINES/0823 dtd. 20/05/2022 and BSE email dtd. 20/05/2022 is as follows: -

Kindly refer our earlier letters wherein it has been stated that MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, Government of India, i.e. Ministry of Communications & Information Technology. The Board of Directors of MTNL in its 348th Board Meeting held on 12.11.2021 has appointed the following Independent Directors for a period of three years, or until further orders whichever is earlier pursuant to the Department of Telecommunication Letter No. No.E-5-3/2018-PSA dtd. 01.11.2021:- (i) Sh. Sarv Daman Bharat (ii) Ms. Deepika Mahajan (iii) Sh. Yogesh Kumar Tamrakar and (iv) Sh. Vishwas Pathak. For the Quarter ended 31.03.2022, MTNL had four Executive Directors, two Govt. Nominee Directors and four Independent Director (including women directors) on its Board. In order to comply with provisions of Regulation 17(1) of SEBI (LODR) 2015, we need six independent directors i.e. fifty percent of the total strength as we have six executive directors (including four functional and two Government Nominee directors) including Executive Chairman. Hence MTNL needs two more independent directors on its Board as on 31.03.2022 for which we have already sent letter to the Government of India. Further, we wish to hereby inform you that Shri Piyush Ranjan Nishad has been appointed as an Independent Director on the Board of MTNL for a period of three years, or until further orders whichever is earlier pursuant to the Department of Telecommunications, Ministry of Communications, Govt. of India vide its Letter No.E-5-3/2018-PSA dtd. 23.03.2022 w.e.f. 21.04.2022. Due to non-appointment of two more Independent Directors, we were unable to comply with provisions relating to Board Composition (Regulation 17) i.e. Half of the Board is not Non – Executive as on 31.03.2022.

ANNEXURE – II

Clarification submitted by MTNL vide its letter no. MTNL/SECTT/SE/2022 Dated 23/08/2022 to NSE Email/ letter no. NSE/LIST-SOP/COMB/FINES/0664 dtd. 22/08/2022 and BSE email dtd. 22/08/2022 is as follows: -

Kindly refer our earlier letters wherein it has been stated that MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, Government of India, i.e. Ministry of Communications & Information Technology. For the Quarter ended 30.06.2022, MTNL had four Executive Directors, two Govt. Nominee Directors and Five Independent Director (including women directors) on its Board. In order to comply with provisions of Regulation 17(1) of SEBI (LODR) 2015, we need six independent directors i.e. fifty percent of the total strength as we have six executive directors (including four functional and two Government Nominee directors) including Executive Chairman. Hence MTNL needs one more independent director on its Board as on 30.06.2022 for which we have already sent letter to the Government of India. Due to non-appointment of one more Independent Directors, we were unable to comply with provisions relating to Board Composition (Regulation 17) i.e. Half of the Board is not Non – Executive as on 30.06.2022.

ANNEXURE III

Clarifications submitted by MTNL vide its letter no. MTNL/SECTT/SE/2022 dated 19/09/2022 to NSE letter no. NSE/LIST-SOP/COMB/FINES/0740 dtd. 14/09/2022 is as follows: -
In this regard, MTNL state as under:-Vide our letter/email dtd. 22.08.2022, MTNL has already clarified its position on compliance with regulation 29(2)(3) of SEBI (LODR) 2015. Further, The Union Cabinet in its meeting held on 27th July 2022 had considered and approved the debt restructuring plan of MTNL for FY 2022-23 and FY 2023-24. The approval was conveyed to MTNL by Department of Telecommunications (DoT) vide para 2.6 of its OM No. 20-28/2022-PR dated 02nd August 2022, to raise Sovereign Guarantee Bonds, with tenure of 10 years or more, for an amount of Rs. 17,571/- Crores (Rs. 10,910/- Crores for FY 2022-23 and Rs 6,661/- Crores for FY 2023-24), with waiver of guarantee fee to repay high cost debt and restructure it with new substantial loan. The above decision of Union Cabinet was available in all the print/social media under heading "Cabinet approves Rs 1.64-trn package for revival of BSNL". Therefore, the information of fund raising was already available in public domain. It may be mentioned that MTNL is a Central Public Sector Enterprise (CPSE) and Government of India is holding 56.25% of shares of MTNL. It has to comply with the directions issued by the Union Cabinet and its Administrative Ministry i.e. Department of Telecommunications with the concurrence/approval of the Board. Therefore, decision to raise Sovereign Guarantee Bonds by MTNL which was already taken by the Union Cabinet in its meeting held on 27.07.2022 was put up to the Board of Directors of MTNL in its meeting held on 12.08.2022, and the Board took note of the same. MTNL had already intimated NSE on 25.07.2022 that MTNL's Board meeting to approve the Unaudited Reviewed Financial Results for the Quarter ended on June 30, 2022 will be held on 12.08.2022. The above mentioned Cabinet Approval was also placed before the Board Meeting. Thus, MTNL has not violated the provision of Regulation 29(2)(3) of SEBI (LODR) Regulations.

ANNEXURE – IV

Clarifications submitted by MTNL vide its letter no. MTNL/SECTT/SE/2022 dated 24/11/2022 to NSE Letter No. NSE/LIST-SOP/COMB/FINES/0946 dtd. 21/11/2022 and BSE email dtd. 21/11/2022 is as follows: -

Kindly refer our earlier letters wherein it has been stated that MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, Government of India, i.e. Ministry of Communications & Information Technology. For the Quarter ended 30.09.2022, MTNL had four Executive Directors, two Govt. Nominee Directors and five Independent Director (including women directors) on its Board. In order to comply with provisions of Regulation 17(1) of SEBI (LODR) 2015, we need six independent directors i.e. fifty percent of the total strength as we have six executive directors (including four functional and two Government Nominee directors) including Executive Chairman. Hence MTNL needs one more independent director on its Board as on 30.09.2022 for which we have already sent letter to the Government of India. Due to non-appointment of one more Independent Directors, we were unable to comply with provisions relating to Board Composition (Regulation 17) i.e. Half of the Board is not Non – Executive as on 30.09.2022.

ANNEXURE – V

Clarifications submitted by MTNL vide its letter no. MTNL/SECTT/SE/2022 dated 27/02/2023 to NSE Email/ letter no. NSE/LIST-SOP/COMB/FINES/0190 dtd. 21/02/2023 and BSE Email dtd. 21/02/2023 is as follows: -

MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, Government of India, i.e. Ministry of Communications & Information Technology. As on 26.12.2022 (quarter end) MTNL had four Executive Directors, two Govt. Nominee Directors and five Independent Director (including one woman independent director) on its Board. As on 31.12.2022 (quarter end) MTNL had four Executive Directors, one Govt. Nominee Directors and five Independent Director (including one woman independent director) on its Board. In order to comply with provisions of Regulation 17(1) of SEBI (LODR) 2015, we need six independent directors as we have Six Directors other than Independent Directors (Four functional and Two Government Nominee directors including

Executive Chairman) till 26.12.2022. In the circumstances, MTNL needs one more Independent Director on its Board. On 26.12.2022, the Govt. had withdrawn the nomination of one director and nominated another in her place who joined as Govt Nominee Director w.e.f 05.01.2023 (Date of obtaining DIN). The total no of directors excluding Independent directors from 27.12.2022 to 31.12.2022 was five and the total no of independent directors during this aforesaid period was also five hence, we were Technically compliant (as we have equal (5) independent Director on 31.12.2022. The matter for appointment of one more Independent Director has already been taken up with the Government of India. Due to non-appointment of one Independent Director till 26.12.2022, we were unable to comply with provisions relating to Board Composition (Regulation 17) i.e. Half of the Board is not Non – Executive. Even after 26.12.2022 we are non-compliant (technically) because as per our compliant we still require one more Independent Director.

For MRITUNJAY SHEKHAR & ASSOCIATES

Company Secretaries

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ACS/ FCS No.: 17250

C P No.: 20871

UDIN : A017250E000257820

Peer Review No. 2919/2023

Place : New Delhi

Date: 05/05/2023