



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

MTNL/SECTT/SE/2021
July 05, 2021

**The Secretary,
Stock Exchanges,
BSE/NSE/OTCQX**

**SUB: Submission of Disclosure in Related Party Transaction for the FY ended 31st March, 2021
– Pursuant to Regulation 23 (9) of SEBI (LODR), 2015.**

Dear Sir,

In pursuance to the Regulation 23 (9) of the SEBI (LODR) Regulations, 2015, we hereby submit disclosure of Related Party transaction on Standalone and Consolidated basis for the Financial Year ended 31st March, 2021.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,

(S R SAYAL)
COMPANY SECRETARY

Mahanagar Telephone Nigam Limited

Notes forming part of financial statements for the year ended 31 March 2021

49 Related party disclosures**Related parties where control exists:****i Key Management Personnel**

Name	Designation
Mr. P. K. Purwar	CMD from 15 April 2020
Mr. M.V. Joshi	Director (Finance) upto 30 September 2020
Mr. Sunil Kumar	Director (HR) and CMD upto 14 April 2020
Mr. Sunil Kumar	Director (HR) from 16 July 2019
Mr. Sanjeev Kumar	Director (Technical) upto 27 January 2021
Mr. S.R. Sayal	Company Secretary
Mr. Harvesh Bhatia	Executive Director, Delhi from 1 March 2020
Shri V Srisankar	Executive Director, Mumbai From 01 December 2019
Sushil Kumar Mishra	Director (Technical) from 9 March 2021
Suresh Kumar Gupta	Director (Finance) from 21 October 2020
Navneet Gupta	Government Director from 11 June 2019
Mahmood Ahmed	Government Director from 2 July 2020
Amitabh Ranjan Sinha	Government Director from 11 December 2020
Chinmay Basu	Independent Director upto 25 October 2020
K.B. Gokulchandran	Independent Director upto 25 October 2020
G. Padmaja Reddy	Independent Director upto 25 October 2020
Suneeta Trivedi	Independent Director upto 25 October 2020
Shri Deepak Mukherjee	Executive Director, Mumbai from 24 January 2021
Ashok Kumar	Executive Director, Delhi from 19 January 2021

ii Subsidiaries

Mahanagar Telephone (Mauritius) Limited (MTML)
Millennium Telecom Limited
MTML International Limited (subsidiary of MTML)
MTML Data Limited (subsidiary of MTML)

iii Joint ventures

MTNL STPI IT Services Limited (MSISL)

iv Associates

United Telecommunications Limited (UTL)*

v Other related parties

MTNL Leave encashment trust
MTNL Gratuity trust

vi Other government entity

Bharat Sanchar Nigam Limited (BSNL)#

vii Summary of significant transactions with related parties:

(₹ in crores)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Remuneration to Key Managerial Personnel		
- Short-term employee benefits	1.86	1.96
- Post employment benefits	0.06	0.12
- Other long-term employee benefits	0.06	0.23
Amount received from MTML	0.92	1.02
Amount received from MSISL	1.14	0.46
Amount received from MTL	0.08	0.20
Amount paid to MTL	0.02	-

viii Summary of significant outstanding balances with related parties:

(₹ in crores)

Particulars	31 March 2021		31 March 2020	
	Advances	Investment in shares	Advances	Investment in shares
MTML	-	100.97	-	100.97
MTL	-	2.88	-	2.88
MSISL	-	2.28	-	2.28
UTL	-	35.85	-	35.85

- ix The Company has certain transactions with respect to sale and purchase of services and receives reimbursement of expenses (vis-a-vis electricity and water charges) in relation to renting of immovable property from BSNL.

*As per article 12.19 (b) of Shareholders' agreement together with para 27 of the amendatory agreement (together referred to as 'amended agreement') entered into between MTNL, TCIL, TCL and NVPL (Nepal), together referred to as 'Investors' pursuant to their investment in United Telecom Limited ('UTL'), in case NVPL (the local partner in Nepal) decides to sell its stake to any third party, it requires prior consent of other Investors. Further, at such time, per exit clause in the agreement, any of the other Investors other than NVPL can exit the arrangement after 2 years from the amended agreement by issuing 3 month's notice.

Pursuant to this exit clause, the Company had issued notice to UTL on 30 January, 2018 for making an exit. The notice is valid upto 30 April 2018 and subsequent to 30 April 2018, the local partner had sought time extension of another 3 months i.e. till 30 July, 2018 for giving effect to the exit requested by the Company. NVPL vide its letter dated 31 March 2021, has requested MTNL to submit its response against the draft Share Purchase Agreement ('SPA') for acquisition of shares held by Investors at face value of Nepalese Rupees 100 per share and MTNL is in the process of reviewing and finalising the said SPA. Accordingly, such investment has been classified as 'held for sale' in the financial statements for year ended 31 March 2020 and 31 March 2021. Refer note 21 for details.

#Refer Note 63 for detail of transactions with BSNL.

63 Settlements with BSNL:

- a) The amount recoverable from BSNL is ₹ 5,735.12 crores (previous year ₹5,584.66 crores) and amount payable is ₹ 2,116.91 crores (previous year ₹ 2,065.05 crores). The net recoverable of ₹ 3,618.20 crores (previous year ₹ 3,519.61 crores) is subject to reconciliation and confirmation. The carrying value of the net recoverable from BSNL is ₹ 3,608.71 crores (previous year - ₹3,504.10 crores) measured at amortised cost.
- b) Certain claims of BSNL on account of Signalling charges ₹ 21.93 crores (previous year ₹ 21.93 crores), Transit tariff ₹ 25.19 crores (previous year ₹ 25.19 crores), MP Billing ₹ 6.01 crores (₹ 6.01 crores), Service Connections ₹ 40.15 crores (previous year ₹ 40.15 crores), IUC ₹ 10.14 crores (previous year ₹ 10.14 crores) and IUC from Gujrat Circle ₹ 1.11 crore (previous year ₹ 1.11 crore) are being reviewed. Pending settlement of similar other claims from BSNL, no provision is considered necessary.
- c) Delhi Unit has accounted for the expenditure on account of telephone bills of service connections raised by BSNL towards MTNL for the period from 01 October 2000 to 30 September 2006 to the tune of ₹ 9.80 crores (previous year ₹ 9.80 crores) on the basis of actual reimbursement made for subsequent periods against the disputed claim of ₹ 31.27 crores (previous year ₹ 31.27 crores), since no details / justifications are received till date from BSNL in spite of repeated persuasion. The balance amount of ₹ 21.47 crores (previous year ₹ 21.47 crores) is shown as contingent liability.

Mahanagar Telephone Nigam Limited

Notes forming part of consolidated financial statements for the year ended 31 March 2021

53 Related party disclosures**Related parties where control exists:****i Key Management Personnel**

Name	Designation
Mr. P. K. Purwar	CMD from 15 April 2020
Mr. M.V. Joshi	Director (Finance) upto 30 September 2020
Mr. Sunil Kumar	Director (HR) and CMD upto 14 April 2020
Mr. Sunil Kumar	Director (HR) from 16 July 2019
Mr. Sanjeev Kumar	Director (Technical) upto 27 January 2021
Mr. S.R. Sayal	Company Secretary
Mr. Harvesh Bhatia	Executive Director, Delhi from 1 March 2020
Shri V Srisankar	Executive Director, Mumbai From 01
Sushil Kumar Mishra	Director (Technical) from 9 March 2021
Suresh Kumar Gupta	Director (Finance) from 21 October 2020
Navneet Gupta	Government Director from 11 June 2019
Mahmood Ahmed	Government Director from 2 July 2020
Amitabh Ranjan Sinha	Government Director from 11 December
Chinmay Basu	Independent Director upto 25 October 2020
K.B. Gokulchandran	Independent Director upto 25 October 2020
G. Padmaja Reddy	Independent Director upto 25 October 2020
Suneeta Trivedi	Independent Director upto 25 October 2020
Shri Deepak Mukherjee	Executive Director, Mumbai from 24 January
Ashok Kumar	Executive Director, Delhi from 19 January

ii Subsidiaries

Mahanagar Telephone (Mauritius) Limited (MTML)
 Millennium Telecom Limited
 MTML International Limited (subsidiary of MTML)
 MTML Data Limited (subsidiary of MTML)

ii Joint ventures

MTNL STPI IT Services Limited ('MSISL')

iii Associates

United Telecommunications Limited ('UTL')*

iv Other related parties

MTNL Leave encashment trust
 MTNL Gratuity trust

v Other government entity

Bharat Sanchar Nigam Limited ('BSNL')#

vi **Summary of significant transactions with related parties:**

(₹ in crores)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Remuneration to Key Managerial Personnel		
Short-term employee benefits	1.86	1.96
Post employment benefits	0.06	0.12
Other long-term employee benefits	0.06	0.23
Amount received from MSISL	1.14	0.46

vii **Summary of significant outstanding balances with related parties:**

(₹ in crores)

Particulars	Investment in shares	
	31 March 2021	31 March 2020
MSISL	3.17	3.51
UTL	35.85	35.85

viii

The Group has certain transactions with respect to sale and purchase of services and receives reimbursement of expenses (vis-a-vis electricity and water charges) in relation to renting of immovable property from BSNL.

*As per article 12.19 (b) of Shareholders' agreement together with para 27 of the amendatory agreement (together referred to as 'amended #Refer Note 67 for detail of transactions with BSNL.

67 Settlements with BSNL:

- a) The amount recoverable from BSNL is ₹ 5,735.12 crores (previous year ₹5,584.66 crores) and amount payable is ₹ 2,116.91 crores (previous year ₹ 2,065.05 crores). The net recoverable of ₹ 3,618.20 crores (previous year ₹ 3,519.61 crores) is subject to reconciliation and confirmation. The carrying value of the net recoverable from BSNL is ₹ 3,608.71 crores (previous year - ₹3,504.10 crores) measured at amortised cost.
- b) Certain claims of BSNL on account of Signalling charges ₹ 21.93 crores (previous year ₹ 21.93 crores), Transit tariff ₹ 25.19 crores (previous year ₹ 25.19 crores), MP Billing ₹ 6.01 crores (₹ 6.01 crores), Service Connections ₹ 40.15 crores (previous year ₹ 40.15 crores), IUC ₹ 10.14 crores (previous year ₹ 10.14 crores) and IUC from Gujrat Circle ₹ 1.11 crore (previous year ₹ 1.11 crore) are being reviewed. Pending settlement of similar other claims from BSNL, no provision is considered necessary.
- c) Delhi Unit has accounted for the expenditure on account of telephone bills of service connections raised by BSNL towards MTNL for the period from 01 October 2000 to 30 September 2006 to the tune of ₹ 9.80 crores (previous year ₹ 9.80 crores) on the basis of actual reimbursement made for subsequent periods against the disputed claim of ₹ 31.27 crores (previous year ₹ 31.27 crores), since no details / justifications are received till date from BSNL in spite of repeated persuasion. The balance amount of ₹ 21.47 crores (previous year ₹ 21.47 crores) is shown as contingent liability.