

MAHANAGAR TELEPHONE NIGAM LIMITED

(A Government of India Enterprise)

CIN L32101DL1986GOI023501

MTNL/SECTT/SE/2020

July 23, 2020

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

SUB: Submission of Disclosure in Related Party transaction – 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 period ended March 31, 2020, drawn in accordance with the applicable Accounting Standards.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,



**(S R SAYAL)
COMPANY SECRETARY**

STANDALONE

Notes forming part of financial statements for the year ended 31 March 2020

49 Related party disclosures

Related parties where control exists:

i Key Management Personnel

Name	Designation
Mr. N.K. Yadav	CMD upto 07.06.16
Mr. P. K. Purwar	CMD upto 15 July 2019
Mr. M.V. Joshi	Director (Finance) from 05-11-2018
Mr. Sunil Kumar	Director (HR) and CMD from 16 July 2019
Mr. Sanjeev Kumar	Director (Technical)
Mr. S.R. Sayal	Company Secretary
Mr. Harvesh Bhatia	Executive Director, Delhi from 1 January 2020
Mr.S.P. Rai	Executive Director, Delhi upto 31 December 2019
Shri A.K. Shrivastava	Executive Director, Mumbai from 01/06/2019 to 30/11/2019
Shri V. Srisankar	Executive Director, Mumbai (from 01.12.19)
Mr. Pravin Punj	Executive Director, Mumbai upto 31 May 2019

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:

Particulars (in crores)
For the year ended

Particulars	31 March 2020	31 March 2019
Remuneration to Key Managerial Personnel		
- Short-term employee benefits	1.96	1.80
- Post employment benefits	0.12	0.30
- Other long-term employee benefits	0.23	0.44
Amount received from MTML	1.02	1.21
Amount received from MSISL	0.46	1.64
Amount received from MTL	0.20	0.06
Amount paid from MTL		-
Services received from MTL		-
Claims made on MTL	-	0.04

viii Summary of significant outstanding balances with related parties:

Particulars	31 March 2020		31 March 2019	
	Advances	Investment in shares	Advances	Investment in shares
MTML	-	100.97	-	100.97
MTL	-	2.88	0.48	2.88
MSISL	-	2.28	-	2.28
UTL	-	35.85	-	35.85

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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, TCI, TCI 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. Accordingly, such investment has been classified as 'held for sale' in the financial statements for year ended 31 March 2019 and 31 March 2020. The repatriation of Indian FDI in Nepal is under the process of approval with Nepal government department and is yet to be approved by Nepal government. MTNL has taken up through DoT with Ambassador of India in Nepal to get the process expedited so that facilitation of the remittance of amount invested in UTL back to MTNL is done. Refer note 21 for details.

Two handwritten signatures in black ink, one larger and more prominent than the other, positioned on the right side of the page.

Notes forming part of consolidated financial statements for the year ended 31 March 2020

Related party disclosures

Related parties where control exists:

i Key Management Personnel

Name	Designation
Mr. P. K. Purwar	CMO upto 15/07/2019
Mr. M.V. Joshi	Director (Finance) from 05-11-2018
Mr. Sunil Kumar	Director (HR) & CMO from 16/07/2019
Mr. Sanjeev Kumar	Director (Technical)
Mr. S.R. Sayal	Company Secretary
Mr. Harvesh Bhatia	Executive Director, Delhi upto 31/12/2019
Mr.S.P. Rai	Executive Director, Delhi from 01/01/2020
Shri A.K. Shrivastava	Executive Director, Mumbai from
Shri V. Srisankar	Executive Director, Mumbai from
Mr. Pravin Punj	Executive Director, Mumbai upto

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 SIPP IT Services Limited (MSISL)

iii Associates

United Telecommunications Limited (U'IL)*

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	
	March 20	March 2019
Remuneration to Key Managerial Personnel		
Short-term employee benefits	1.96	2.71
Post employment benefits	0.12	0.30
Other long-term employee benefits	0.23	0.44
Amount received from MSISL	0.46	1.14

vii Summary of significant outstanding balances with related parties:

(in crores)

Particulars	Investment in shares	
	31 March 20	March 2019
MSISL	3.51	3.73
U'IL	35.85	35.85

viii The Group has certain transactions with respect to sale and purchase of services and receives reimbursement of

*As per article 12.19 (b) of Shareholders' agreement together with para 27 of the amendatory agreement (together

