



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, Email: mtnlcsco@gmail.com

MTNL/SECTT/SE/2024

November 14, 2024

<p>To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. Scrip Code: 500108</p>	<p>To, National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Symbol: MTNL</p>
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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 SEPTEMBER, 2024

Dear Sir,

Further to our letter of even no.dtd. **17.10.2024**, we are forwarding herewith the Unaudited Reviewed Financial Results prepared as per Ind AS along with the Limited Review Report submitted by the Statutory Auditors of the Company for the Quarter ended 30th September, 2024 duly approved by the Board of Directors in its Meeting held in New Delhi today i.e. **14th November, 2024**.

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 12:30 PM and concluded at 03:35 PM.

Thanking you,
Yours faithfully,

(RATAN MANI SUMIT)
COMPANY SECRETARY

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

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30/09/2024

(Rs. in Crore)

Sl. No.	Particulars	STANDALONE					Year Ended Previous year ended 31/03/2024
		Three Months Ended			Six Months Ended		
		3 months ended 30/09/2024	Preceeding 3 months ended 30/06/2024	Corresponding 3 months ended 30/09/2023 in the previous year	Year to date figures for Current period ended 30/09/2024	Year to date figures for previous period ended 30/09/2023	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
I	Revenue from operations	158.80	169.40	181.98	328.20	366.56	728.47
II	Other Income	152.12	197.92	173.82	350.04	286.12	573.01
III	Total Income (I +II)	310.92	367.32	355.80	678.24	652.68	1,301.48
IV	Expenses						
	Purchases of stock-in-trade	0.00	-	-	0.00	0.03	0.04
	License Fees & Spectrum Charges	14.53	14.11	16.54	28.64	32.21	60.04
	Employee benefits expense	144.78	146.38	147.22	291.16	296.70	570.06
	Finance cost	769.45	705.16	665.09	1,474.61	1,310.31	2,689.78
	Revenue Sharing	11.20	10.16	11.74	21.35	23.06	61.33
	Depreciation and amortization expense	151.68	153.90	167.51	305.59	330.56	655.77
	Other Expenses	107.69	109.43	140.39	217.12	302.62	566.64
	Total Expenses (IV)	1,199.33	1,139.14	1,148.47	2,338.47	2,295.50	4,603.67
V	Profits/(Loss) before exceptional items and tax(III-IV)	(888.41)	(771.82)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit/ (Loss) before tax (V- VI)	(888.41)	(771.82)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
IX	Profit/ (Loss) for the period from continuing operations (VII - VIII)	(888.41)	(771.82)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)
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)	(888.41)	(771.82)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)
XIV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	(9.04)	(3.81)	(1.14)	(12.85)	(2.26)	(15.22)
	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	(9.04)	(3.81)	(1.14)	(12.85)	(2.26)	(15.22)
XV	Total Comprehensive Income for the period (XIII+XIV)	(897.46)	(775.63)	(793.82)	(1,673.08)	(1,645.08)	(3,317.42)
XVI	Paid up Equity Share Capital				630.00	630.00	630.00
XVII	Other Equity excluding revaluation reserves				(25,931.02)	(22,860.47)	(24,292.80)
XVIII	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)						
	(1) Basic	(14.10)	(12.25)	(12.58)	(26.35)	(26.08)	(52.42)
	(2) Diluted	(14.10)	(12.25)	(12.58)	(26.35)	(26.08)	(52.42)
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	(14.10)	(12.25)	(12.58)	(26.35)	(26.08)	(52.42)
	(2) Diluted	(14.10)	(12.25)	(12.58)	(26.35)	(26.08)	(52.42)

See accompanying notes to the financial results:

May kindly approve, M

Sumit
14.11.2024
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Dir (fin)

CMD
14/11



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UNAUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED ON 30/09/2024

(Rs. in Crore)

		STANDALONE					
		Three Months Ended			Six Months Ended		Year Ended
Sl. No.	Particulars	3 months ended 30/09/2024	Preceding 3 months ended 30/06/2024	Corresponding 3 months ended 30/09/2023 in the previous year	Year to date figures for Current period ended 30/09/2024	Year to date figures for previous period ended 30/09/2023	Previous year ended 31/03/2024
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	Revenue from Operations						
	Basic & other Services	153.21	159.92	175.54	313.14	352.56	699.73
	Cellular	5.87	9.77	6.76	15.64	14.64	29.97
	Unallocable	-	-	-	-	-	0.00
	Total	159.09	169.69	182.30	328.78	367.20	729.71
	Less: Inter Segment Revenue	0.29	0.29	0.32	0.57	0.65	1.24
	Net Revenue from Operations	158.80	169.40	181.98	328.20	366.56	728.47
2.	Segment Result before interest income, exceptional items, finance cost and tax						
	Basic & other Services	(17.84)	(24.85)	(21.75)	(42.68)	(123.78)	(163.22)
	Cellular	(115.31)	(53.01)	(106.10)	(168.32)	(211.28)	(434.56)
	Unallocable	10.77	0.33	(2.01)	11.10	(2.41)	(33.34)
	Total	(122.38)	(77.53)	(129.87)	(199.90)	(337.46)	(631.13)
	Add: Exceptional items	-	-	-	-	-	-
	Add: Interest Income	3.41	10.87	2.28	14.28	4.96	18.72
	Less: Finance cost	769.45	705.16	665.09	1,474.61	1,310.31	2,689.78
	Profit/ (Loss) before tax	(888.41)	(771.82)	(792.67)	(1660.23)	(1642.82)	(3302.19)
	Less: Provision for Current Tax & Deferred tax	-	-	-	-	-	-
	Profit/ (Loss) after tax	(888.41)	(771.82)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)
3.	Segment Assets						
	Basic & other Services	5,961.59	6,032.71	6,212.03	5,961.59	6,212.03	5,982.20
	Cellular	2,836.47	2,964.61	3,358.92	2,836.47	3,358.92	3,111.05
	Unallocable/Eliminations	1,615.35	1,519.50	1,782.80	1,615.35	1,782.80	1,583.95
	Total Segment Assets	10,413.42	10,516.82	11,353.76	10,413.42	11,353.76	10,677.20
4.	Segment Liabilities						
	Basic & other Services	2,505.73	2,554.85	2,578.15	2,505.73	2,578.15	2,481.17
	Cellular	31,438.68	30,798.42	29,220.70	31,438.68	29,220.70	30,253.51
	Unallocable/Eliminations	1,770.03	1,584.29	1,785.37	1,770.03	1,785.37	1,605.33
	Total Segment Liabilities	35,714.43	34,937.56	33,584.22	35,714.43	33,584.22	34,340.00

See accompanying notes to the financial results:



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UNAUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crore)

Particulars	STANDALONE	
	As at 30.09.2024	As at 31.03.2024
	UNAUDITED	AUDITED
ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	2,354.22	2,463.37
(b) Capital work-in-progress	79.88	85.80
(c) Right-of-Use Asset	294.64	314.12
(d) Investment Property	61.45	62.04
(e) Intangible assets	1,265.08	1,429.46
(f) Financial Assets		
(i) Investments	106.13	106.13
(ii) Loans	1.71	2.32
(iii) Others	283.52	267.91
(g) Non Current Tax Asset	527.11	599.88
(h) Other Non-Current Assets	30.88	33.74
Total non-current assets	5,004.63	5,364.76
(2) Current assets		
(a) Inventories	9.41	5.13
(b) Financial Assets		
(i) Trade Receivables	571.78	496.45
(ii) Cash and cash equivalents	25.09	60.85
(iii) Bank Balances other than (ii) above	0.00	-
(iv) Loans	3.12	2.04
(v) Other Financial Assets	4,523.46	4,498.46
(c) Other current assets	271.85	245.46
Total Current assets	5,404.71	5,308.38
(3) Asset held for sale	4.07	4.06
Total Assets(1+2+3)	10,413.42	10,677.20
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share Capital	630.00	630.00
(b) Other Equity	(25,931.02)	(24,292.80)
Total Equity	(25,301.02)	(23,662.80)
LIABILITIES		
(i) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	23,526.30	24,005.77
(ii) Lease Liabilities	58.81	67.14
(iii) Other Financial Liabilities	78.28	77.45
(b) Long Tem Provisions	401.46	385.20
(c) Other Non Current liabilities	47.47	52.98
Total Non-Current Liabilities	24,112.32	24,588.55
(ii) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,587.08	6,022.05
(ii) Lease Liabilities	30.11	45.86
(iii) Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises	82.26	72.36
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,097.09	997.64
(iv) Other Financial Liabilities	2,195.09	2,031.46
(b) Other current liabilities	546.27	499.41
(c) Short Term Provisions	64.22	82.68
Total Current Liabilities	11,602.12	9,751.46
Total Liabilities (i) + (ii)	35,714.43	34,340.01
Total Equity and Liabilities (1 + 2)	10,413.42	10,677.20



MAHANAGAR TELEPHONE NIGAM LIMITED
Unaudited Standalone Statement of Cash Flows for the half year ended 30th September, 2024

		(Rs. in crores)	
		Half Year ended	
		30th Sept. 2024	30th Sept. 2023
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax	(1660.23)	(1642.82)
	Adjustments for:		
	Depreciation expense	141.12	163.37
	Amortisation expense	164.46	167.19
	Loss/ Gain on disposal of property, plant and equipment (Net)	(0.54)	(0.91)
	Dividend Income	(0.71)	(0.37)
	Interest income	(14.28)	(4.96)
	Excess provisions written back	(78.14)	(53.49)
	Provision for doubtful debts including discount	8.15	53.77
	Provision for obsolete inventory	0.19	2.32
	Provision for doubtful claims	0.08	0.08
	Loss of assets	0.73	0.60
	Finance costs	1474.61	1310.31
	Bad debts recovered	(0.01)	(0.01)
	Bad debts written off	2.88	1.82
	Operating profit before working capital changes	38.32	(3.09)
	Movement in working capital		
	(Increase)/ Decrease in loans	(0.18)	13.03
	(Increase)/ Decrease in inventories	(4.48)	(3.10)
	(Increase)/ Decrease in other financial assets	(111.70)	(182.90)
	(Increase)/ Decrease in other assets	(23.53)	(39.74)
	(Increase)/ Decrease in trade and other receivables	(86.34)	4.87
	Increase/ (Decrease) in other financial liabilities	(42.28)	(51.06)
	Increase/ (Decrease) in other liabilities	41.34	23.69
	Increase/ (Decrease) in provisions, trade and other payables	172.31	275.22
	Cash flow from operating activities post working capital changes	(16.53)	36.91
	Income tax (paid)/refunds (net)	72.78	(3.93)
	Net cash flow from operating activities (A)	56.25	32.98
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment, Investment property and Intangible assets (including capital work-in-progress) (net of sale proceeds)	(6.28)	(13.66)
	Movement in fixed deposits (net)	(0.00)	0.32
	Dividend received	0.71	0.14
	Interest received	7.70	2.85
	Net cash flows used in investing activities (B)	2.12	(10.34)
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds and repayment from long-term borrowings (net)	(272.51)	1514.42
	Proceeds and repayment of short-term borrowings (net)	1312.82	(417.79)
	Finance cost paid	(1105.50)	(1195.70)
	Payment towards Lease Liability	(28.94)	(28.34)
	Net cash used in financing activities (C)	(94.13)	(127.42)
	Increase in cash and cash equivalents (A+B+C)	(35.76)	(104.77)
	Cash and cash equivalents at the beginning of the year	60.85	146.52
	Cash and cash equivalents at the end of the period	25.09	41.75



Notes to Standalone Financial Results:

- 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 14.11.2024 and approved by the Board of Directors of the Company at their meeting held on the same date.
- The financial results for the quarter ended September 30, 2024 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
- The figures for the quarter ended 30th September 2024 are the balancing figures between reviewed figures in respect of the half year ended 30th September 2024 and the published figures for the quarter ended on 30th June 2024.
- Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015**

S.No.	Particulars	Three Months Ended			Six Months Ended		Year Ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
a	Debt Service Coverage Ratio (in times) [EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt)]	0.04	0.09	0.01	0.07	(0.00)	0.01
b	Interest Service Coverage Ratio (in times) [EBITDA / Finance Cost]	0.04	0.12	0.06	0.08	(0.00)	0.02
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)	(25,301.02)	(24,420.74)	(22,230.47)	(25,301.02)	(22,230.47)	(23,662.80)
g	Net Profit/ (Loss) After Tax (in Rs Crs)	(888.41)	(771.82)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)
h	Earnings Per Share (in Rs) [Not Annualised]	(14.10)	(12.25)	(12.58)	(26.35)	(26.08)	(52.42)
i	Current Ratio (in times) [Current Assets /Current Liabilities]	0.47	0.52	0.50	0.47	0.50	0.54
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.23)	(1.26)	(1.31)	(1.23)	(1.31)	(1.27)
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	(6.15)	(7.49)	(10.10)	(6.15)	(10.10)	(9.72)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.00	0.00	0.00	0.01	0.00	0.02
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.32	0.30	0.34	0.32	0.34	0.28
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	3.00	2.93	2.57	3.00	2.57	2.82
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.09	1.24	1.29	1.23	1.34	1.36
p	** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)	25,567.71	25,544.83	24,812.20	25,567.71	24,812.20	25,794.96
q	Operating Margin (%) [EBIT - Other Income/ Revenue from Operations]	(170.70)%	(156.18)%	(165.62)%	(163.21)%	(168.77)%	(162.73)%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	(559.44)%	(455.62)%	(435.58)%	(505.85)%	(448.18)%	(453.31)%

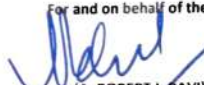
- # MTNL is a listed company and Issued Non Convertible Debentures(NCDs) on private placement basis, there is no requirement to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) of Companies (Share Capital and Debenture) Rules, 2014.
- ** Paidup debt Capital/Outstanding Debt excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 3,668.97 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 the 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 1996-97 to 2005-06. The appellate authorities have allowed the claim to the extent of 75% of the amount claimed. The Company has preferred appeals for the remaining claim before the Hon'ble Court of Delhi. The Company has retained the provision of Rs. 375.96 crores (previous year Rs. 375.96 crores) for this claim for the assessment years 1998-99, 1999-00 and 2000-2001, however, the demands on this account amounting to Rs. 243.22 crores (previous year Rs. 243.22 crores) for the assessment years 2001-02 to 2006-07 have been shown as contingent reserve to meet the contingency that may arise out of disallowances of claim of benefit u/s 80IA of Income Tax Act, 1961.
- In the matter of settlement of bonds with Canara Bank and Canfina in earlier year, the arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against the company for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs.0. 93 Crores was awarded 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 (Canara Bank's- OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO.155 of 2022) for enforcement of said award dated 03.03.2022. The company submitted the title deed of one of the properties as security deposits before the Hon'ble Delhi High Court in terms of an order dated 10.05.2024. The next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Bank's OMP and Canfina OMP is proposed on 14.01.2025.
- In view of continuous support from Govt. of India with respect to capex and re-arrangement of borrowing through issue of Non Convertible Debentures(NCDs) with waiver of guarantee fee and other measures viz. constitution of committee of secretaries for recommendation way forward in respect of MTNL including merger with BSNL etc., management made an assessment and decided to continue as a going concern.
- Amount receivable from BSNL & Other Operators amounting to Rs. 3960.81 Crore have been reflected as other financial assets.



Notes to Standalone Financial Results:

- 13 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, however, the same is still under deliberation between MTNL & BSNL. The financial impact of same, if any, will be accounted for on finalisation of operational modalities.
- 14 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.
- 15 Amount recoverable from DoT is Rs.770.16 crores and amount payable is Rs.690.24 crores. The net recoverable of Rs. 79.92 crores (including Rs.0.15 crores against ex-gratia). Out of which Rs. 79.77 Crores is subject to reconciliation and confirmation. There is no agreement between the MTNL and DoT for interest recoverable/payable on current account. Accordingly, no provision has been made for interest payable/receivable on balances during the year except charging of interest on GPF claims receivable from DoT.
- 16 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.
- 17 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.
- 18 Dues from the Operators being on account of revenue sharing agreements are not treated as debtors and consequently are not taken into account for making provision for doubtful debts.
- 19 Certain immovable properties (includes the leasehold lands and buildings) transferred from Department of Telecommunications ('DoT') to MTNL in earlier years through a sale deed. These leasehold immovable properties have not been mutated or renewed in the name of MTNL till date. However, considering MTNL is a Public Sector Undertaking ('PSU'), the sale deed not registered at that time and executed by DOT is deemed to have been registered for the purpose of transfer of all such assets in terms of section 90 of the Indian registration act, 1908 as considered by the MTNL and stamp duty payable, if any, will be borne and paid by Government as and when any such occasion arises as per sale deed. Accordingly, these leasehold immovable properties have been classified by the management under the heading 'Right of Use assets'.
- 20 The GPF Trust is currently in the process of reconciling and recomputing its liabilities to determine the general provident fund payable to employees. The adjustments, if any, resulting from this recomputation/reconciliation will be recognized in the financial statements in the year the reconciliation is finalized.
- 21 In certain cases of freehold and leasehold land, the company is having title deeds which are in the name of the Company but the value of which are not lying in books of accounts.
- 22 Non-payment of Installment & Interest of Rs. 938.17 crores and Rs. 183.88 Crore respectively, all the bank accounts have become NPA except Indian Overseas Bank. One of the lender UCO Bank has called off the term loans of Rs. 253.41 crores for repayable on demand, which has been classified as current as on 30.09.2024. Meetings are being held for possible resolution with the lender bank for the settlement of the loan.
- 23 Revenue from operations includes an amount to Rs. 12.38 crores booked on provisional basis due to technical glitch in the billing software in some of the areas in Delhi since August 2024 and in Mumbai since Jan 2024. The final impact of the same will be accounted for once the billing is done through the system.

Place : New Delhi
Date : 14.11.2024

For and on behalf of the Board

(A. ROBERT J. RAVI)
Chairman & Managing Director
DIN: 10095013



O P Bagla & Co LLP
501,5th floor
Okhla Industrial Area, Phase-1,
New Delhi 110020

S.L. Chhajed & Co. LLP
Chartered Accountants
D1, B-38 D, Janakpuri, West Delhi
New Delhi - 110058

Independent Auditor's Review Report on Standalone Unaudited Financial Results of Mahanagar Telephone Nigam Limited for the Quarter and half year ended September 30th, 2024 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 - 110003

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Mahanagar Telephone Nigam Limited** ("the Company / MTNL") for the quarter and half year ended September 30th, 2024 ("the Statement"), 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 which is the responsibility of the Company's Management and approved by its Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under 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 from material misstatement. A review of interim financial information consists of making inquiries, primarily of Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 conclusion.



5. Qualified Conclusion

Based on our review conducted as stated above, except for the observations / matters mentioned in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results read with notes thereon, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 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 the following notes to the unaudited standalone financial results:

- (i) Notes No.9 regarding 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. we are unable to comment on the adequacy or otherwise of the provision and / or contingency reserve held by the Company.
- (ii) Note No. 13 regarding the operations and maintenance of wireless network being handed over to BSNL as an outsource agency from April 1st, 2021 (in case of Delhi) and September 1st, 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.
- (iii) Note No.14 regarding the amount recoverable from Department of Telecommunications ("DOT") in respect of settlement of General Provident Fund (GPF) amounting to Rs.6.52 crores 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 by 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.
- (iv) Notes No.15 which states that in pursuance of DOT letter No. F.No. 30-04/2019-PSU Affairs dated October 29th, 2019 and decision of Board of Directors of MTNL through circular regulation on November 4th, 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from November 4th, 2019 under which 14,387 number of MTNL employees opted for VRS and the expenditure of ex-gratia on account of compensation to be borne by the DOT/Government of India through budgetary supports as per approval of cabinet. Balance amount payable to VRS opted employees as on September 30th, 2024 is shown in the financial statements of the Company as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL.
- (v) Note No.16 stating that 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) Note No.17 stating that 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 have 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.



- (vii) Notes No.18 regarding dues from the Operators being on account of revenue sharing agreements are not treated as debtors and consequently are not taken into account for making provision for doubtful debts.
- (viii) Note No.20 Regarding amount payable to GPF trust is currently in the process of reconciling its liabilities to determine the provident fund payables to employees. The adjustment if any resulting from this re-computation/ reconciliation will be recognized once the reconciliation process is completed.
- (ix) Note No.22 Regarding defaults in bank loan repayment amounting to Rs.938.17 crores, where such bank accounts have been declared as NPA by the respective banks. Further, UCO Bank has called off the term loan amounting to Rs.253.41 crores for repayable on demand which has been classified as current on 30th September 2024.
- (x) Note No. 23 Regarding provisional income being booked under Revenue from Operations due to non-functioning of the billing software in some areas in the Delhi Unit since August 2024 and in Mumbai Unit since January 2024.
- (xi) In accordance with the requirement of section 149 of the Companies Act, the company does not have requisite number of independent directors and women directors.

Our conclusion is not modified in respect of aforesaid matters.

7. Other Matter

The comparative standalone financial information of the Company for the quarter ended 30th June 2024, corresponding quarter and half year ended September 30th, 2023, were reviewed by the predecessor joint auditors who expressed a qualified conclusion on the same vide their report dated August 14th, 2024.

Our conclusion is not modified in respect of this matter.

For O P Bagla & Co LLP
Chartered Accountants
FRN: 00018N/N500091


Nitin Jain
Partner
M. No. 510841
UDIN: 24510841BKERWS9394

Place: Delhi
Date: November 14th, 2024

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN: 000709C/C400277


Vijit Baidmutha
Partner
M. No. 406044
UDIN: 24406044BKBF803923

Place: Delhi
Date: November 14th, 2024

**Annexure-I to the Independent Auditors' Review Report
(Referred to in Para 4 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 September 30th, 2024 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the quarter under review the Company has also defaulted in repayment of certain installments of term loan amounting to Rs. 938.17 crores and interest on term loan amounting to Rs.183.88 crores.

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 Rs.6,500 crore in FY 2020-21 in line with cabinet note.

As per F.NO.20-28/2022-PR dated August 2nd, 2022, the Union Cabinet in its meeting held on July 27th, 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.

Further, in view of unsustainable debts of MTNL, a Committee of Secretaries (COS) was constituted by Government of India to examine matters such as asset monetization, AGR dues, debt restructuring etc. for further course of action for merger of MTNL and BSNL. However, COS is reviewing various options submitted to them for solution of various issues related to MTNL which is under process.

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. 3584.24 crores are 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 recoverability and the correctness of the outstanding balances and resultant impact of the same on the standalone financial result for the quarter ended September 30th, 2024 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. 115.83 crores have not been carried forward resulting in overstatement of Current Assets and understatement of loss to that extent.
- c) The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs. 2.18 Crores accrued during the period ended September 30th, 2024, has not been recognized in Delhi unit in the Standalone Ind-AS financial statement, however, the income



arising on account of rental income in respect of property occupied by the BSNL amounting to Rs.14.97 Crores has been recognized in Mumbai Unit in the Standalone Ind-AS financial statement on estimate basis. 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 statement of such income and liability under Goods and Services Tax (GST) for the quarter ended September 30th, 2024 and preceding years is not ascertained and quantified.

- iii) The Company has certain balances receivable from and payable to the Department of Telecommunication (DOT). The net amount payable of Rs.79.92 crores 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 recoverability and correctness of the outstanding balances and resultant impact of the same on the standalone financial results for the quarter ended September 30th, 2024 of the Company.
- iv) The Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 194.12 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the recoverability and correctness of the outstanding balance as above and resultant impact on standalone Ind AS financial statements of the Company for the quarter ended September 30th, 2024.
- v) 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.
- vi) 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 quarter ended September 30th 2024, 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 September 30th, 2024, accumulated balance of other equity and also the carrying value of the cash generating units.
- vii) 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, amount 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 September 30th, 2024 are not ascertainable and quantifiable.

- viii) The company does not follow a system of reconciliation of difference between TDS balance as per book and as per TDS certificate and form 26AS under Income-tax Act as applicable. Pending such reconciliation the impact thereof if any on the standalone IND AS financial statement is not ascertainable and quantifiable.



- ix) Unlinked credit of Rs. 34.17 crores 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 September 30th, 2024 are not ascertainable and quantifiable.
- x) 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 delay in issuance of the completion certificates/ receipt of the bills/ 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 financial results for the quarter ended September 30th, 2024 by way of depreciation cannot be ascertained and quantified.
- xi) Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 crores 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.

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 OTC on spectrum allotted beyond 6.2 MHz directed Govt. to review the demand for spectrum allotted after July 1st, 2008 and that too w.e.f, January 1st, 2013 in case the spectrum beyond 6.2 MHz was allotted before January 1st, 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 financial results for the quarter ended September 30th, 2024 of the Company.

- xii) 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 have been recovered without installing sub meter in some of the cases. The actual impact of the same on the standalone financial results for the quarter ended September 30th, 2024 has not been ascertained and quantified.
- xiii) The TDS on provision for expenses (Accrued Liability) have not been deducted under chapter XVII-B of Income-tax Act, 1961. The actual impact of the same on the standalone financial results for the quarter ended September 30th, 2024, have not been ascertained and quantified.
- xiv) The Company is making 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 financial results for the quarter ended September 30th, 2024 has not been ascertained and quantified.
- xv) The Company is creating 'Expected Credit Loss' on Trade Receivables. The ECL model of the Company needs to be reviewed, in order to make it compliant with IND AS 109. There are Financial Assets balances under 'Claim Recoverable A/c', against which no ECL has been made by the Company,



which is not in accordance with the provisions of Standard. The impact of the same on the standalone Ind-AS financial statements for the period ended September 30th, 2024 has not been ascertained and quantified.

The above basis for qualified conclusion referred to in Para no. (i) to (xiv) were subject matter of qualification in the Auditor's Limited Review Report for the year ended March 31, 2024.

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), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv) and (xv) on the standalone financial result of the Company for the quarter ended September 30th, 2024.

For O P Bagla & Co LLP
Chartered Accountants
FRN: 00018N/N500091

Nitin Jain
Partner
M. No. 510841
UDIN: 24510841BKERWS9394

Place: Delhi
Date: November 14th, 2024

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN: 000709C/C400277

Vijit Baidmutha
Partner
M. No. 406044
UDIN: 24406044BKBF03923

Place: Delhi
Date: November 14th, 2024



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

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CIN : L32101DL1986GOI023501

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30/09/2024

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED					Year Ended Previous year ended 31/03/2024
		Three Months Ended			Six Months Ended		
		3 months ended 30/09/2024	Preceeding 3 months ended 30/06/2024	Corresponding 3 months ended 30/09/2023 in the previous year	Year to date figures for Current period ended 30/09/2024	Year to date figures for previous period ended 30/09/2023	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
I	Revenue from operations	174.23	183.85	197.83	358.08	397.30	798.56
II	Other Income	152.29	198.50	174.08	350.78	287.15	574.53
III	Total Income (I + II)	326.51	382.35	371.91	708.86	684.45	1,373.10
IV	Expenses						
	Purchases of stock-in-trade	0.55	0.55	0.50	1.10	1.22	4.61
	License Fees & Spectrum Charges	17.16	16.72	19.20	33.88	37.63	70.79
	Employee benefits expense	145.96	147.42	148.09	293.39	298.42	574.07
	Finance cost	769.48	705.19	665.12	1,474.67	1,310.38	2,689.90
	Revenue Sharing	14.55	13.03	14.92	27.57	29.46	73.48
	Depreciation and amortization expense	154.56	156.50	170.09	311.07	335.73	666.35
	Other Expenses	115.30	117.06	147.83	232.36	317.79	563.43
	Total Expenses (IV)	1,217.56	1,156.47	1,165.76	2,374.03	2,330.62	4,642.63
V	Profits/(Loss) before exceptional items and tax(III-IV)	(891.05)	(774.12)	(793.85)	(1,665.17)	(1,646.17)	(3,269.53)
VI	Share of Profit/(loss) in investments accounted for using equity method	0.77	0.66	1.03	1.43	1.42	1.82
VII	Exceptional items	-	-	-	-	-	-
VIII	Profit/ (Loss) before tax (V+ VI-VII)	(890.28)	(773.46)	(792.82)	(1,663.74)	(1,644.75)	(3,267.71)
IX	Tax expense:						
	(1) Current tax	-	-	-	-	0.00	0.09
	(2) Deferred tax	-	-	-	-	-	(0.28)
X	Profit/ (Loss) for the period from continuing operations (VIII - IX)	(890.28)	(773.46)	(792.82)	(1,663.74)	(1,644.75)	(3,267.52)
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)	(890.28)	(773.46)	(792.82)	(1,663.74)	(1,644.75)	(3,267.52)
XV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	(9.04)	(3.81)	(1.14)	(12.85)	(2.26)	(15.22)
	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	0.52	(2.28)	(0.19)	(1.77)	(3.92)	(3.93)
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income for the year	(8.53)	(6.09)	(1.34)	(14.61)	(6.19)	(19.16)
XVI	Total Comprehensive Income for the period (XIV+XV)	(898.81)	(779.55)	(794.16)	(1,678.36)	(1,650.94)	(3,286.68)
XVII	Paid up Equity Share Capital				630.00	630.00	630.00
XVIII	Other Equity excluding revaluation reserves				(25,917.59)	(22,878.37)	(24,274.10)
XIX	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)						
	(1) Basic	(14.13)	(12.28)	(12.58)	(26.41)	(26.11)	(51.87)
	(2) Diluted	(14.13)	(12.28)	(12.58)	(26.41)	(26.11)	(51.87)
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	(14.13)	(12.28)	(12.58)	(26.41)	(26.11)	(51.87)
	(2) Diluted	(14.13)	(12.28)	(12.58)	(26.41)	(26.11)	(51.87)

See accompanying notes to the financial results:

May kindly approve, Sir

Account
14.11.2024
CS

Dir (fin)
CMA
14/11



MAHANAGAR TELEPHONE NIGAM LIMITED

Regd. Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003
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CIN : L32101DL1986GOI023501

UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED ON 30/09/2024

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED					Year Ended Previous year ended 31/03/2024
		Three Months Ended			Six Months Ended		
		3 months ended 30/09/2024	Preceeding 3 months ended 30/06/2024	Corresponding 3 months ended 30/09/2023 in the previous year	Year to date figures for Current period ended 30/09/2024	Year to date figures for previous period ended 30/09/2023	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
1.	Revenue from Operations						
	Basic & other Services	153.21	159.92	175.54	313.14	352.56	699.73
	Cellular	21.30	24.22	22.61	45.51	45.38	100.06
	Unallocable	-	-	-	-	-	0.00
	Total	174.51	184.14	198.15	358.65	397.95	799.80
	Less: Inter Segment Revenue	0.29	0.29	0.32	0.57	0.65	1.24
	Net Revenue from Operations	174.23	183.85	197.83	358.08	397.30	798.56
2.	Segment Result before interest income, exceptional items, finance cost and tax						
	Basic & other Services	(17.84)	(24.85)	(21.75)	(42.68)	(123.78)	(163.22)
	Cellular	(117.75)	(55.61)	(107.25)	(173.36)	(215.03)	(437.62)
	Unallocable	10.06	0.33	(2.39)	10.38	(2.79)	0.94
	Total	(125.53)	(80.13)	(131.40)	(205.66)	(341.59)	(599.90)
	Add: Exceptional items	-	-	-	-	-	-
	Add: Interest Income	3.96	11.20	2.67	15.16	5.79	20.27
	Less: Finance cost	769.48	705.19	665.12	1,474.67	1,310.38	2,689.90
	Add: Share of profit or loss from Associates/ JV	0.77	0.66	1.03	1.43	1.42	1.82
	Profit/ (Loss) before tax	(890.28)	(773.46)	(792.82)	(1663.74)	(1644.75)	(3267.71)
	Less: Provision for Current Tax & Deferred tax	-	-	0.00	-	0.00	(0.19)
	Profit/ (Loss) after tax	(890.28)	(773.46)	(792.82)	(1663.74)	(1644.75)	(3267.52)
3.	Segment Assets						
	Basic & other Services	5,961.59	6,032.71	6,212.03	5,961.59	6,212.03	5,982.20
	Cellular	2,972.29	3,093.19	3,491.97	2,972.29	3,491.97	3,245.45
	Unallocable/Eliminations	1,522.29	1,426.04	1,653.18	1,522.29	1,653.18	1,489.68
	Total Segment Assets	10,456.18	10,551.94	11,357.18	10,456.18	11,357.18	10,717.34
4.	Segment Liabilities						
	Basic & other Services	2,505.73	2,554.85	2,578.15	2,505.73	2,578.15	2,481.17
	Cellular	31,465.51	30,816.43	29,239.88	31,465.51	29,239.88	30,272.65
	Unallocable/Eliminations	1,772.53	1,586.62	1,787.52	1,772.53	1,787.52	1,607.63
	Total Segment Liabilities	35,743.77	34,957.90	33,605.55	35,743.77	33,605.55	34,361.44

See accompanying notes to the financial results:



MAHANAGAR TELEPHONE NIGAM LIMITED

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

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

CIN : L32101DL1986GOI023501

UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crore)

Particulars	CONSOLIDATED	
	As at 30.09.2024	As at 31.03.2024
	Unaudited	Audited
ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	2,424.05	2,521.18
(b) Capital work-in-progress	79.88	85.80
(c) Right-of-Use Asset	294.94	314.48
(d) Investment Property	66.84	67.76
(e) Intangible assets	1,265.08	1,429.46
(f) Financial Assets		
(i) Loans	1.71	2.32
(ii) Others	283.52	267.91
(g) Investments accounted for using the equity method	4.37	3.51
(h) Deferred tax assets (net)	0.00	0.00
(i) Non Current Tax Asset	527.49	600.19
(j) Other Non-Current Assets	30.88	33.74
Total non-current assets	4,978.77	5,326.36
(2) Current assets		
(a) Inventories	10.28	5.78
(b) Financial Assets		
(i) Trade Receivables	587.79	512.42
(ii) Cash and cash equivalents	42.65	85.07
(iii) Bank Balances other than (ii) above	24.08	23.36
(iv) Loans	3.12	2.04
(v) Other Financial Assets	4,526.70	4,499.04
(c) Current Tax Asset	0.11	0.11
(d) Other current assets	278.60	259.10
Total Current assets	5,473.34	5,386.93
(3) Asset held for sale	4.07	4.06
Total Assets(1+2+3)	10,456.18	10,717.34
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	630.00	630.00
(b) Other Equity	(25,917.59)	(24,274.10)
Total Equity	(25,287.59)	(23,644.10)
LIABILITIES		
(i) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	23,526.30	24,005.77
(ii) Lease Liabilities	58.91	67.37
(iii) Other Financial Liabilities	78.28	77.45
(b) Long Term Provisions	401.46	385.20
(c) Deferred tax liabilities (Net)	6.13	6.24
(d) Other Non Current liabilities	47.69	53.20
Total Non-Current Liabilities	24,118.77	24,595.23
(ii) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,587.08	6,022.05
(ii) Lease Liabilities	30.33	46.09
(iii) Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises	82.26	72.36
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,113.87	1,005.62
(iv) Other Financial Liabilities	2,200.00	2,036.62
(b) Other current liabilities	546.75	500.46
(c) Short Term Provisions	64.70	83.02
Total Current Liabilities	11,625.00	9,766.21
Total Liabilities (i) + (ii)	35,743.77	34,361.44
Total Equity and Liabilities (1 + 2)	10,456.18	10,717.34



MAHANAGAR TELEPHONE NIGAM LIMITED
Unaudited Consolidated Statement of Cash Flows for the Half Year ended 30th September, 2024

		(Rs. in crores)	
		Half Year ended	
		30th Sept 2024	30th Sept 2023
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax	(1,663.74)	(1,644.75)
	Adjustments for:		
	Depreciation expense	146.60	168.54
	Amortisation expense	164.46	167.19
	Loss on disposal of property, plant and equipment (net)	(0.54)	(0.91)
	Share of (profit)/loss from associates and joint ventures	(1.43)	(1.42)
	Interest income	(15.16)	(5.79)
	Excess provisions written back	(78.14)	(53.56)
	Provision for doubtful debts including discount	8.15	53.77
	Provision for obsolete inventory	0.19	2.32
	Provision for doubtful claims	0.08	0.08
	Loss of assets	0.73	0.60
	Finance costs	1,474.67	1,310.38
	Bad debts recovered	(0.01)	(0.01)
	Bad debts written off	2.88	1.82
	Operating profit before working capital changes	38.75	(1.75)
	Movement in working capital		
	(Increase)/Decrease in loans	(0.18)	12.94
	(Increase)/Decrease in inventories	(4.71)	(3.47)
	(Increase)/Decrease in other financial assets	(114.37)	(184.15)
	(Increase)/Decrease in other assets	(16.71)	(44.26)
	(Increase)/Decrease in trade and other receivables	(86.78)	4.05
	Increase/(Decrease) in other financial liabilities	(42.72)	(52.13)
	Increase/(Decrease) in other liabilities	40.59	24.50
	Increase/(Decrease) in provisions, trade and other payables	180.37	273.39
	Cash flow from operating activities post working capital changes	-5.75	29.14
	Income tax (paid)/refunds (net)	72.60	(4.09)
	Net cash flow from operating activities (A)	66.86	25.05
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Property, plant and equipment, investment property and intangible assets (including	(23.39)	(12.75)
	Movement in fixed deposits (net)	(0.72)	0.36
	Dividend received	0.57	-
	Interest received	8.58	3.69
	Net cash flows used in investing activities (B)	(14.96)	(8.70)
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds and repayment of long-term borrowings (net)	(272.51)	1,514.42
	Proceeds and repayment of short-term borrowings (net)	1,312.82	(417.79)
	Finance cost paid	(1,105.50)	(1,195.70)
	Payment towards Lease Liability	(29.12)	(28.52)
	Net cash used in financing activities (C)	(94.31)	(127.59)
	Increase in cash and cash equivalents (A+B+C)	(42.41)	(111.24)
	Cash and cash equivalents at the beginning of the year	85.07	166.39
	Cash and cash equivalents at the end of the period	42.65	55.15



Notes to Consolidated Financial Results:

- 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 14.11.2024 and approved by the Board of Directors of the Company at their meeting held on the same date.
- The financial results for the quarter ended September 30, 2024 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
- The figures for the quarter ended 30th September 2024 are the balancing figures between reviewed figures in respect of the half year ended 30th September 2024 and the published figures for the quarter ended on 30th June 2024.
- Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015**

S.No.	Particulars	Three Months Ended			Six Months Ended		Year Ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
a	Debt Service Coverage Ratio (in times) [EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt)]	0.04	0.09	0.02	0.07	0.00	0.01
b	Interest Service Coverage Ratio (in times) [EBITDA/Finance Cost]	0.04	0.13	0.06	0.08	0.00	0.03
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)	(25,287.59)	(24,405.96)	(22,248.37)	(25,287.59)	(22,248.37)	(23,644.10)
g	Net Profit/ (Loss) After Tax (In Rs Crs)	(890.28)	(773.46)	(792.82)	(1,663.74)	(1,644.75)	(3,267.52)
h	Earnings Per Share (in Rs) [Not Annualised]	(14.13)	(12.28)	(12.58)	(26.41)	(26.11)	(51.87)
i	Current Ratio (in times) [Current Assets /Current Liabilities]	0.47	0.53	0.51	0.47	0.51	0.55
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.23)	(1.26)	(1.31)	(1.23)	(1.31)	(1.27)
k	Long Term Debt to Working Capital (in times) <u>Long Term Debt excluding lease liability + Current Maturities of Long Term Debt</u> Working Capital <u>excluding current maturities of Long Term Borrowings</u>	(6.22)	(7.63)	(10.36)	(6.22)	(10.36)	(9.96)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.00	0.00	0.00	0.01	0.00	0.02
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.33	0.30	0.34	0.33	0.34	0.28
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	2.98	2.92	2.57	2.98	2.57	2.81
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.16	1.31	1.42	1.30	1.43	1.45
p	** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)	25,567.71	25,544.83	24,812.20	25,567.71	24,812.20	25,794.96
q	Operating Margin (%) [(EBIT - Other Income)/ Revenue from Operations]	(156.75)%	(145.09)%	(152.55)%	(150.76)%	(156.44)%	(144.28)%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	(510.99)%	(420.69)%	(400.77)%	(464.63)%	(413.98)%	(409.18)%

- # MTNL is a listed company and issued Non Convertible Debentures(NCDs) 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. 3,668.97 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 1996-97 to 2005-06. The appellate authorities have allowed the claim to the extent of 75% of the amount claimed. The Company has preferred appeals for the remaining claim before the Hon'ble Court of Delhi. The Company has retained the provision of Rs. 375.96 crores (previous year Rs. 375.96 crores) for this claim for the assessment years 1998-99, 1999-00 and 2000-2001, however, the demands on this account amounting to Rs. 243.22 crores (previous year Rs. 243.22 crores) for the assessment years 2001-02 to 2006-07 have been shown as contingent reserve to meet the contingency that may arise out of disallowances of claim of benefit u/s 80IA of Income Tax Act, 1961.
- In the matter of settlement of bonds with Canara Bank and Canfina in earlier year, the arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against the company for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs.0. 93 Crores was awarded 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 (Canara Bank's- OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO.155 of 2022) for enforcement of said award dated 03.03.2022. The company submitted the title deed of one of the properties as security deposits before the Hon'ble Delhi High Court in terms of an order dated 10.05.2024. The next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Banks OMP and Canfina OMP is proposed on 14.01.2025.
- In view of continuous support from Govt. of India with respect to capex and re-arrangement of borrowing through issue of Non Convertible Debentures(NCDs) with waiver of guarantee fee and other measures viz. constitution of committee of secretaries for recommendation way forward in respect of MTNL including merger with BSNL etc., management made an assessment and decided to continue as a going concern.
- Amount receivable from BSNL & Other Operators amounting to Rs. 3960.81 Crore have been reflected as other financial assets.



Notes to Consolidated Financial Results:

- 13 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, however, the same is still under deliberation between MTNL & BSNL. The financial impact of same, if any, will be accounted for on finalisation of operational modalities.
- 14 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.
- 15 Amount recoverable from DoT is Rs.770.16 crores and amount payable is Rs.690.24 crores. The net recoverable of Rs. 79.92 crores (including Rs.0.15 crores against ex-gratia). Out of which Rs. 79.77 Crores is subject to reconciliation and confirmation. There is no agreement between the MTNL and DoT for interest recoverable/payable on current account. Accordingly, no provision has been made for interest payable/receivable on balances during the year except charging of interest on GPF claims receivable from DoT.
- 16 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.
- 17 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.
- 18 Dues from the Operators being on account of revenue sharing agreements are not treated as debtors and consequently are not taken into account for making provision for doubtful debts.
- 19 Certain immovable properties (includes the leasehold lands and buildings) transferred from Department of Telecommunications ('DoT') to MTNL in earlier years through a sale deed. These leasehold immovable properties have not been mutated or renewed in the name of MTNL till date. However, considering MTNL is a Public Sector Undertaking ('PSU'), the sale deed not registered at that time and executed by DOT is deemed to have been registered for the purpose of transfer of all such assets in terms of section 90 of the Indian registration act, 1908 as considered by the MTNL and stamp duty payable, if any, will be borne and paid by Government as and when any such occasion arises as per sale deed. Accordingly, these leasehold immovable properties have been classified by the management under the heading 'Right of Use assets'.
- 20 The GPF Trust is currently in the process of reconciling and recomputing its liabilities to determine the general provident fund payable to employees. The adjustments, if any, resulting from this recomputation/reconciliation will be recognized in the financial statements in the year the reconciliation is finalized.
- 21 In certain cases of freehold and leasehold land, the company is having title deeds which are in the name of the Company but the value of which are not lying in books of accounts.
- 22 Non-payment of installment & Interest of Rs. 938.17 crores and Rs. 183.88 Crore respectively, all the bank accounts have become NPA except Indian Overseas Bank. One of the lender UCO Bank has called off the term loans of Rs. 253.41 crores for repayable on demand, which has been classified as current as on 30.09.2024. Meetings are being held for possible resolution with the lender bank for the settlement of the loan.
- 23 Revenue from operations includes an amount to Rs. 12.38 crores booked on provisional basis due to technical glitch in the billing software in some of the areas in Delhi since August 2024 and in Mumbai since Jan 2024. The final impact of the same will be accounted for once the billing is done through the system.

For and on behalf of the Board

(A. ROBERT J. RAVI)
Chairman & Managing Director
DIN: 10095013



Place : New Delhi
Date : 14.11.2024



O P Bagla & Co LLP
501,5th floor
Okhla Industrial Area,
Phase-1,
New Delhi 110020

S.L. Chhajed & Co. LLP
Chartered Accountants
D1, B-38 D, Janakpuri, West Delhi
New Delhi - 110058

Independent Auditor' Review Report on Unaudited Consolidated Financial Results of Mahanagar Telephone Nigam Limited for the Quarter and half year Ended September 30th, 2024 pursuant to the Regulations 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 – 110003

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Mahanagar Telephone Nigam Limited** ("the Holding Company / MTNL") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive income of its joint venture and associate for the quarter ended September 30th, 2024 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 from material misstatement. A review of interim financial information consists of making inquiries, primarily of Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMDI/44/ 2019 dated March 29th, 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:

Millenium Telecom Limited	Wholly Owned Indian Subsidiary
Mahanagar Telephone (Mauritius) Limited	Wholly Owned Overseas Subsidiary
MTNL STPI IT Services Limited	Joint Venture
United Telecommunications Limited	Associate

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 Regulations 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 the following notes to the unaudited consolidated financial results:

- (i) Notes No. 9 regarding pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Holding Company u/s 80IA of the Income Tax Act, 1961 we are unable to comment on the adequacy or otherwise of the provision and / or contingency reserve held by the Holding Company.
- (ii) Note No. 13 regarding the operations and maintenance of wireless network of the Holding Company being handed over to BSNL as an outsource agency from April 1st, 2021 (in case of Delhi) and September 1st, 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.
- (iii) Note No.14 The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) amounting to Rs. 6.52 crores 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 Holding Company in respect of which correspondence is going on between the Holding Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.



- (iv) Notes No.15 which states that in pursuance of DOT letter No. F.No. 30-04/2019-PSU Affairs dated October 29th, 2019 and decision of Board of Directors of MTNL through circular regulation on November 4th, 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from November 4th, 2019 under which 14,387 number of MTNL employees opted for VRS and the expenditure of ex-gratia on account of compensation to be borne by the DOT/Government of India through budgetary supports as per approval of cabinet. Balance amount payable to VRS opted employees as on September 30, 2024 is shown in the financial statements of the Holding Company as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL.
- (v) Notes No. 16 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 Holding Company and DOT.
- (vi) Note No.17 stating that the License agreement between the Holding 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 have 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.
- (vii) Notes No.18 regarding dues from the Operators being on account of revenue sharing agreements are not treated as debtors and consequently are not taken into account for making provision for doubtful debts.
- (viii) Note No.20 Regarding amount payable to GPF trust is currently in the process of reconciling its liabilities to determine the provident fund payables to employees. The adjustment if any resulting from this recomputation/ reconciliation will be recognized once the reconciliation process is completed.
- (ix) Note No.22 Regarding default in bank loan repayment amounting to Rs.938.17 crores, where such bank accounts have been declared as NPA by the respective banks. UCO Bank has called off the term loan amounting to Rs.253.41 crores for repayable on demand which has been classified as current on 30th September 2024.
- (x) Note No. 23 Regarding provisional income being booked under Revenue from Operations due to non-functioning of the billing software in some areas in the Delhi Unit since August 2024 and in Mumbai Unit since January 2024
- (xi) In accordance with the requirement of section 149 of the Companies Act, the company does not have requisite number of independent directors and women directors.

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

8. Other Matters

- a) The Statement includes interim Unaudited Financial Results and Other Unaudited Financial Information of two subsidiaries which reflects total income of Rs.31.33 crores, net loss of Rs. 4.23 crores and total comprehensive income of Rs.(1.77) crores for the quarter ended September 30th, 2024; and the interim financial results and other financial information of one joint venture and associate which reflects Group's share of net profit after tax of Rs.1.43 Crores and total comprehensive income of Rs. NIL for the quarter ended September 30th, 2024 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.



b) The comparative consolidated financial information of the Group and its joint venture and associate quarter ended 30th June 2024, corresponding quarter and half year ended September 30th, 2023 were reviewed by the predecessor joint auditors who expressed a qualified conclusion on the same vide their report dated August 14th, 2024.

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

For O P Bagla & Co LLP
Chartered Accountants
FRN: 00018N/N500091



Nitin Jain
Partner
M. No. 510841
UDIN: 24510841BKERWT1380

Place: Delhi
Date: November 14th, 2024

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN: 000709C/C400277



Vijit Baidmutha
Partner
M. No. 406044
UDIN: 24406044BKBFBN7719

Place: Delhi
Date: November 14th, 2024

Annexure - I to the Independent Auditors' Review Report

(Referred to in Para 5 of our report of even date)

- i) The Net Worth of the Holding Company has been fully eroded; The Holding Company has incurred net cash loss during the quarter ended September 30th, 2024 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the quarter under review the Holding Company has also defaulted in repayment of certain instalments of term loan amounting to Rs. 938.17 crores and interest on term loan amounting to Rs.183.88 crores.

Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the Holding 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 Holding Company have been prepared on a going concern basis keeping in view the majority stake of the Government of India.

The 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 Holding 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 Rs.6,500 crore in FY 2020-21 in line with cabinet note.

As per F.NO.20-28/2022-PR dated August 2nd, 2022, the Union Cabinet in its meeting held on July 27th, 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.

ii) Bharat Sanchar Nigam Limited (BSNL):

- a) The Holding Company has certain balances receivable from and payables to Bharat Sanchar Nigam Limited (BSNL). The amount recoverable of Rs.3584.24 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 recoverability and correctness of the outstanding balances and resultant impact of the same on the consolidated financial results for the quarter ended September 30th, 2024 of the Group including its joint venture and associate.
- b) The Holding 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.115.83 crores have not been carried forward resulting in overstatement of Current Assets and understatement of loss to that extent.
- c) The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs.2.18 Crores accrued during the quarter ended September 30th, 2024 has not been recognized in Delhi unit in the consolidated financial results. However, the income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs.14.97 Crores has been recognized in Mumbai Unit in the consolidated financial results on estimate basis. 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 financial results of such income and liability under Goods and Services Tax (GST) for the current year and preceding years is not ascertained and quantified.

- iii) The Holding Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 79.92 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 recoverability and correctness of the outstanding balances and resultant impact of the same on the Consolidated financial results of the Group including its joint venture and associate.
- iv) The Holding Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 194.12 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the correctness of the outstanding balance as above and resultant impact on Consolidated financial results of the Group including its joint venture and associate.
- v) 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 Holding 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.
- vi) 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 Act. In view of uncertainty in achievement of future projections made by the Holding 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 September 30th, 2024, accumulated balance of other equity and also the carrying value of the cash generating units.
- vii) The Holding 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 others parties and amount payables to trade payables, claim payable to operators, and amount payable to other parties.

Accordingly, amount receivables from and payables to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliations, the impact thereof on the Consolidated financial results are not ascertainable and quantifiable.
- viii) The Holding Company does not follow a system of reconciliation of difference between TDS balance as per book and as per TDS certificate and form 26AS under Income-tax Act as applicable. Pending such reconciliation the impact thereof if any on the Consolidated Ind- AS financial statement is not ascertainable and quantifiable.



- ix) Unlinked credit of Rs.34.17 crores on account of receipts from subscribers against billing by the Holding 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 are not ascertainable and quantifiable.
- x) Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. We are unable to comment whether the Capital Work-in-progress (CWIP) shown in books in the current year are actually part of CWIP or have already been commissioned. The resultant impact of the same on the Consolidated financial results by way of depreciation cannot be ascertained and quantified.

- xi) Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 crores 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.

Also as explained, pending finality of the issue by the Holding 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 OTC on spectrum allotted beyond 6.2 MHz directed Govt. to review the demand for spectrum allotted after July 1st, 2008 and that too w.e.f. January 1st, 2013 in case the spectrum beyond 6.2 MHz was allotted before January 1st, 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 Holding Company and the ultimate implications of the same on the consolidated financial results for the quarter ended September 30th, 2024 of the Holding Company including its joint venture and associate.

- xii) The Holding Company has recovered Electricity Charges from the tenants on which liability for Goods and Services Tax (GST) has not been considered as the expenses have been recovered without installing sub meter in some of the cases. The actual impact of the same on the consolidated financial results for the quarter ended September 30th, 2024 has not been ascertained and quantified.
- xiii) The TDS on provision for expenses have not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the consolidated financial results for the quarter ended September 30th, 2024, have not been ascertained and quantified.
- xiv) The Holding Company is making 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 financial results for the quarter ended September 30th, 2024 has not been ascertained and quantified.



- xv) The Company is creating 'Expected Credit Loss' on Trade Receivables. The ECL model of the Company needs to be reviewed, in order to make it compliant with IND AS 109. There are Financial Assets balances under 'Claim Recoverable A/c', against which no ECL has been made by the Company, which is not in accordance with the provisions of Standard. The impact of the same on the standalone Ind-AS financial statements for the period ended September 30th, 2024 has not been ascertained and quantified

The above basis for qualified conclusion referred to in Para no. (i) to (xiv) were subject matter of qualification in the Auditor's Limited Review Report for the year ended March 31st, 2024.

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), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv) and (xv) on the Consolidated financial result of the Group including its joint venture and associate for the quarter ended June 30th, 2024.

For O P Bagla & Co LLP
Chartered Accountants
FRN: 00018N/N500091

Nitin Jain
Partner
M. No. 510841
UDIN:24510841BKERWT1380

Place: Delhi
Date: Nov. 14th, 2024

For S.L. Chhajed & Co. LL
Chartered Accountants
FRN: 000709C/C400277

Vijit Baldmutha
Partner
M. No. 406044
UDIN: ~~244060448KBFBN7719~~

Place: Delhi
Date: Nov. 14th, 2024

MAHANAGAR TELEPHONE NIGAM LIMITED

(A Govt. of India Enterprise)

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CIN : L32101DL1986GOI23501

EXTRACT OF UNAUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30/09/2024

(Rs. in Crore)

Particulars	STANDALONE					CONSOLIDATED				
	Three Months Ended		Six Months Ended		Year Ended	Three Months Ended		Six Months Ended		Year Ended
	3 months ended 30/09/2024	Corresponding 3 months ended 30/09/2023 in the previous year	Year to date figures for Current period ended 30/09/2024	Year to date figures for previous period ended 30/09/2023	Previous year ended 31/03/2024	3 months ended 30/09/2024	Corresponding 3 months ended 30/09/2023 in the previous year	Year to date figures for Current period ended 30/09/2024	Year to date figures for previous period ended 30/09/2023	Previous year ended 31/03/2024
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1 Total Income from Operations	158.80	181.98	328.20	366.56	728.47	174.23	197.83	358.08	397.30	798.56
2 Net Profit/ (Loss) for the period before exceptional items & tax	(888.41)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)	(890.28)	(792.82)	(1,663.74)	(1,644.75)	(3,267.71)
3 Net Profit/ (Loss) for the period before Tax(after Exceptional items)	(888.41)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)	(890.28)	(792.82)	(1,663.74)	(1,644.75)	(3,267.71)
4 Net Profit/ (Loss) for the period after Tax	(888.41)	(792.67)	(1,660.23)	(1,642.82)	(3,302.19)	(890.28)	(792.82)	(1,663.74)	(1,644.75)	(3,267.52)
5 Total Comprehensive Income for the period (Comprising net profit/(loss) after tax and other comprehensive income after tax)	(897.46)	(793.82)	(1,673.08)	(1,645.08)	(3,317.42)	(898.81)	(794.16)	(1,678.36)	(1,650.94)	(3,286.68)
6 Paid up Equity Share Capital	630.00	630.00	630.00	630.00	630.00	630.00	630.00	630.00	630.00	630.00
7 Other Equity excluding revaluation reserves	(25,931.02)	(22,860.47)	(25,931.02)	(22,860.47)	(24,292.80)	(25,917.59)	(22,878.37)	(25,917.59)	(22,878.37)	(24,274.10)
8 Securities Premium Account	665.00	665.00	665.00	665.00	665.00	665.00	665.00	665.00	665.00	665.00
9 Net Worth	(25,301.02)	(22,230.47)	(25,301.02)	(22,230.47)	(23,662.80)	(25,287.59)	(22,248.37)	(25,287.59)	(22,248.37)	(23,644.10)
10 Paid up Debt Capital/ Outstanding Debt	25,567.71	24,812.20	25,567.71	24,812.20	25,794.96	25,567.71	24,812.20	25,567.71	24,812.20	25,794.96
11 Outstanding Redeemable Preference Shares	-	-	-	-	-	-	-	-	-	-
12 Debt Equity Ratio (In times)	(1.23)	(1.31)	(1.23)	(1.31)	(1.27)	(1.23)	(1.31)	(1.23)	(1.31)	(1.27)
13 Earnings Per Share (of Rs.10 each) for continuing and discontinued operations- (not annualised) (In Rs.)										
1. Basic :	(14.10)	(12.58)	(26.35)	(26.08)	(52.42)	(14.13)	(12.58)	(26.41)	(26.11)	(51.87)
2. Diluted :	(14.10)	(12.58)	(26.35)	(26.08)	(52.42)	(14.13)	(12.58)	(26.41)	(26.11)	(51.87)
14 Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-
15 Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	-
16 Debt Service Coverage Ratio (DSCR) (In times)	0.04	0.01	0.07	(0.00)	0.01	0.04	0.02	0.07	0.00	0.01
17 Interest Service Coverage Ratio (ISCR) (In times)	0.04	0.06	0.08	(0.00)	0.02	0.04	0.06	0.08	0.00	0.03

Notes:

- 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.
- The above results have been reviewed by the Audit Committee in their meeting held on 14.11.2024 and approved by the Board of Directors of the Company at their meeting held on the same date.
- The financial results for the quarter ended September 30, 2024 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.
- 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
- 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: 14.11.2024



For and on behalf of the Board
Robert J. Ray
ROBERT J. RAY
Chairman & Managing Director
DIN: 10095013

