



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

MTNL/SECTT/SE/2023
February 14, 2023

To,

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

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

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 31ST DECEMBER, 2022.

Dear Sir,

Further to our letter of even no.dtd. **January 20, 2023**, we are forwarding herewith the Unaudited Reviewed Financial Results prepared as per Ind AS along with the Limited Review Report submitted by the Statutory Auditors of the Company for the Quarter ended 31st December, 2022 duly approved by the Board of Directors in its Meeting held in New Delhi today i.e. **14th February, 2023**.

Also pursuant Regulation 52(7) & (7A) of SEBI LODR, 2015, we are also forwarding Utilization Statement in respect of Bonds issued by MTNL during the Quarter ended 31.12.2022.

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.

Thanking you,
Yours faithfully,

(S.R. SAYAL)
COMPANY SECRETARY

Encl: A/a



MAHANAGAR TELEPHONE NIGAM LIMITED (A Govt. of India Enterprise) Regd. Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003 Website: www.mtni.net.in, Phone Off: 011-24319020, Fax: 011-24324243 CIN No: L32101DL1986GOI023501							Annexure I
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31/12/2022							(Rs. in Crore)
Sl. No.	Particulars	STANDALONE					
		Three Month Ended			Nine Month Ended		Year Ended
		3 months ended 31/12/2022	Preceeding 3 months ended 30/09/2022	Corresponding 3 months ended 31/12/2021 in the previous year	Year to date figures for Current period ended 31/12/2022	Year to date figures for previous period ended 31/12/2021	Previous year ended 31/03/2022
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
I	Revenue from operations	203.19	220.21	279.06	659.22	850.76	1,069.72
II	Other Income	126.41	137.18	113.05	413.10	347.52	627.18
III	Total Income (I +II)	329.60	357.38	392.11	1,072.32	1,198.28	1,696.90
IV	Expenses						
	Purchases of stock-in-trade	0.02	0.15	0.05	0.22	0.16	0.21
	License Fees & Spectrum Charges	18.74	19.90	26.09	59.84	86.63	102.05
	Employee benefits expense	128.54	131.99	137.43	399.31	407.83	555.02
	Finance cost	592.21	581.01	552.36	1,713.35	1,601.41	2,139.45
	Revenue Sharing	12.50	14.01	11.27	40.17	74.95	87.39
	Depreciation and amortization expense	178.04	180.32	189.20	538.39	575.41	759.01
	Other Expenses	177.59	167.07	138.89	486.02	456.41	656.36
	Total Expenses (IV)	1,107.64	1,094.45	1,055.29	3,237.28	3,202.79	4,299.49
V	Profits/(Loss) before exceptional items and tax(III-IV)	(778.04)	(737.07)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)
VI	Exceptional items						
VII	Profit/ (Loss) before tax (V- VI)	(778.04)	(737.07)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)
VIII	Tax expense:						
	(1) Current tax						
	(2) Deferred tax						
IX	Profit/ (Loss) for the period from continuing operations (VII - VIII)	(778.04)	(737.07)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)
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)	(778.04)	(737.07)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)
XIV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	1.21	2.42	-	3.62	(5.75)	(13.98)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
B	i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income for the year	1.21	2.42	-	3.62	(5.75)	(13.98)
XV	Total Comprehensive Income for the period (XIII+XIV)	(776.83)	(734.66)	(663.18)	(2,161.34)	(2,010.26)	(2,616.57)
XVI	Paid up Equity Share Capital						630.00
XVII	Other Equity excluding revaluation reserves						(19,286.45)
XVIII	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)						
	(1) Basic	(12.35)	(11.70)	(10.53)	(34.36)	(31.82)	(41.31)
	(2) Diluted	(12.35)	(11.70)	(10.53)	(34.36)	(31.82)	(41.31)
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	(12.35)	(11.70)	(10.53)	(34.36)	(31.82)	(41.31)
	(2) Diluted	(12.35)	(11.70)	(10.53)	(34.36)	(31.82)	(41.31)

See accompanying notes to the financial results:

May kindly see for approval for filing with stock exchanges & publishing in newspapers.

SFO

14/12/23

CMA

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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 No: L32101DL1986GOI023501

UNAUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED ON 31/12/2022

(Rs. in Crore)

		STANDALONE					
		Three Month Ended			Nine Month Ended		Year Ended
Sl. No.	Particulars	3 months ended 31/12/2022	Preceding 3 months ended 30/09/2022	Corresponding 3 months ended 31/12/2021 in the previous year	Year to date figures for Current period ended 31/12/2022	Year to date figures for previous period ended 31/12/2021	Previous year ended 31/03/2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	Revenue from Operations						
	Basic & other Services	188.77	210.04	253.78	622.18	755.81	992.63
	Cellular	14.76	10.56	25.60	38.12	95.96	78.45
	Unallocable	-	-	-	-	-	-
	Total	203.53	220.60	279.38	660.30	851.77	1,071.07
	Less: Inter Segment Revenue	0.34	0.39	0.32	1.07	1.01	1.35
	Net Revenue from Operations	203.19	220.21	279.06	659.22	850.76	1,069.72
2.	Segment Result before interest income, exceptional items, finance cost and tax						
	Basic & other Services	(34.26)	(35.91)	0.08	(60.43)	(82.88)	(141.38)
	Cellular	(146.00)	(110.27)	(100.89)	(366.80)	(311.75)	(440.46)
	Unallocable	(10.92)	(10.56)	(13.33)	(33.01)	(17.78)	35.31
	Total	(191.18)	(156.73)	(114.14)	(460.24)	(412.41)	(546.53)
	Add: Exceptional items	5.35	0.68	3.32	8.63	9.30	83.39
	Add: Interest Income	592.21	581.01	552.36	1,713.35	1,601.41	2,139.45
	Less: Finance cost	-	-	-	-	-	-
	Profit/ (Loss) before tax	(778.04)	(737.07)	(663.18)	(2164.96)	(2004.51)	(2602.59)
	Less: Provision for Current Tax & Deferred tax	-	-	-	-	-	-
	Profit/ (Loss) after tax	(778.04)	(737.07)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)
3.	Capital Employed						
	(Segment Assets - Segment Liabilities)						
	Segment Asset						
	Basic & other Services	6,439.92	6,562.45	6,944.83	6,439.92	6,944.83	6,633.66
	Cellular	3,650.50	3,767.26	4,103.01	3,650.50	4,103.01	3,922.68
	Unallocable/Eliminations	1,485.89	1,606.04	1,354.01	1,485.89	1,354.01	1,747.30
	Total Segment Assets	11,576.31	11,935.75	12,401.85	11,576.31	12,401.85	12,303.64
	Segment Liabilities						
	Basic & other Services	2,514.34	2,732.16	2,707.24	2,514.34	2,707.24	2,688.53
	Cellular	27,555.19	27,115.34	25,583.47	27,555.19	25,583.47	26,070.37
	Unallocable/Eliminations	2,324.57	2,129.20	2,161.12	2,324.57	2,161.12	2,201.19
	Total Segment Liabilities	32,394.09	31,976.70	30,451.83	32,394.09	30,451.83	30,960.09
	Segment Capital Employed						
	Basic & other Services	3,925.58	3,830.28	4,237.60	3,925.58	4,237.60	3,945.13
	Cellular	(23,904.69)	(23,348.08)	(21,480.47)	(23,904.69)	(21,480.47)	(22,147.69)
	Unallocable/Eliminations	(838.68)	(523.16)	(807.11)	(838.68)	(807.11)	(453.89)
	Capital Employed	(20,817.79)	(20,040.96)	(18,049.97)	(20,817.79)	(18,049.97)	(18,656.45)



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 14.02.2023 and approved by the Board of Directors of the Company at their meeting held on the same date.
- Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015

S.No.	Particulars	Three Month Ended			Nine Month Ended		Year Ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		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)]	(0.00)	0.02	0.08	0.01	0.07	0.08
b	Interest Service Coverage Ratio (in times) [EBITDA / Finance Cost]	(0.01)	0.04	0.14	0.05	0.11	0.14
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) #	-	-	45.27	-	45.27	-
f	Net Worth (in Rs Crs) (As per Section 2 (57) of Companies Act 2013)	(20,817.79)	(20,040.96)	(18,049.97)	(20,817.79)	(18,049.97)	(18,656.45)
g	Net Profit/ (Loss) After Tax (in Rs Crs)	(778.04)	(737.07)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)
h	Earnings Per Share (in Rs) [Not Annualised]	(12.35)	(11.70)	(10.53)	(34.36)	(31.82)	(41.31)
i	Current Ratio (in times) [Current Assets /Current Liabilities]	0.56	0.35	0.45	0.56	0.45	0.42
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.37)	(1.38)	(1.47)	(1.37)	(1.47)	(1.43)
k	Long Term Debt to Working Capital (in times) Long Term Debt excluding lease liability + Current Maturities of Long Term Debt Working Capital excluding current maturities of Long Term Borrowings	(7.61)	(2.46)	(4.28)	(7.61)	(4.28)	(4.12)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.10	0.01	0.00	0.10	0.00	0.01
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.30	0.51	0.43	0.30	0.43	0.44
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	2.47	2.33	2.15	2.47	2.15	2.18
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.26	1.31	1.40	1.36	1.43	1.50
p	** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)	23,159.85	18,199.40	19,239.35	23,159.85	19,239.35	19,661.18
q	Operating Margin (%) [EBIT - Other Income]/ Revenue from Operations]	(153.67)%	(133.16)%	(80.23)%	(131.17)%	(88.23)%	(101.93)%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	(382.91)%	(334.72)%	(237.65)%	(328.41)%	(235.61)%	(243.30)%

- # MTNL is a listed company and issued debentures on private placement basis, there is no adequacy to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) B of Companies (Share Capital and Debenture) Rules, 2014.
- ** Paid up debt Capital/Outstanding Debt (excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 4,533.97 Cr for which the liability to pay interest and principal is on Government of India). Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- During the current reporting quarter, Company raised Rs. 8867.50 Crore Non-Convertible Debentures based on Sovereign Guarantee given by Government of India.
- 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 for balance of 25 % of the amount claimed and unsettled. The provision of Rs. 375.96 crores for claim is retained while showing Rs. 243.23 crores as contingent reserve to meet any contingency.
- MTNL dispute with M/s. M & N Publications Limited in connection with telephone directories of years 1993-98 and the subsequent awards by arbitrator in respect of MTNL are challenged by M/s. M & N Publications Limited. The claim of Rs. 59.32 crores on this account has been shown as contingent liability in Delhi unit.
- 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.
- 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
- 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
- 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
- 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 and Standard operating procedure is under finalisation. The financial impact of same, if any, will be accounted for on finalisation of operational modalities.
- The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation

For and on behalf of the Board


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

Place : New Delhi
Date : 14.02.2023



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

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

Independent Auditor's Review Report on Standalone Unaudited Financial Results for Quarter and Nine months ended December 31st, 2022 of Mahanagar Telephone Nigam Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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

1. We have reviewed the accompanying statement of unaudited standalone financial results ("The Statement") of MAHANAGAR TELEPHONE NIGAM LIMITED ("The Company") for the Quarter and Nine months ended December 31st, 2022, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This statement is the responsibility of the Company's Management, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard-34 "Interim Financial Reporting" ("Ind-AS 34"), specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. 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.



4. 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 Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

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

- i. Notes No.8 With reference to pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Company u/s 80 IA 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. Notes No 9 Impact of accounting of claims and counter claims of MTNL with M/s M&N Publications Ltd., in a dispute over printing, publishing and supply of telephone directories for MTNL, will be given in the year when the ultimate collection / payment of the same becomes reasonably certain.
- iii. Notes No 10 The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund {GPF} of Combined Service Optees absorbed employees in MTNL and the matter has been under review with DOT and the full amount of GPF including interest thereon, claimed of the Company in respect of which correspondence is going on between the Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.
- iv. Notes No 11 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.
- v. Notes No 12 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.
- vi. Notes No 13 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.
- vii. Notes No 14 The operations and maintenance of wireless network has been handed over to BSNL as an outsource agency from 1.4.2021 (in case of Delhi) and 1.9.2021 (in case of Mumbai) onwards. Pending finalization of standard operating procedures the financial impact of the same (if any) will be accounted for on finalization of operational modalities .

Our conclusion is not modified in respect of aforesaid matters.

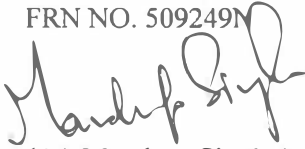


Other Matter:

The review of Unaudited Standalone financial results for the period & quarter ended December 2021 and **Quarter and Period ended September 2022 & September 2021**, were carried out by SPMG & Co. jointly carried out with another firm of chartered accountants, and the Auditors had expressed a modified opinion in relation thereto vide review report dated 14th February 2022 ,dated 14th Nov 2022 & dated 12th November 2021 respectively.

Our opinion is not modified in this respect.

For SPMG & Co.
Chartered Accountants
FRN NO. 509249M



(CA Mandeep Singh Arora)
Partner

M.No. 091243

UDIN: 23091243BGSKBV5868



For SCV & Co. LLP
Chartered Accountants
FRN NO. 000235N/N500089



(CA ABHINAV KHOSLA)
Partner

M No. 087010

UDIN: 23087010BGZFDZ3523



Place: New Delhi

Date: February 14th, 2023

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

- i. The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the quarter and nine months ended December 31st 2022 as well as in the previous year ended 31st March 2022 and the current liabilities exceeded the current assets substantially.

Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the Company as “Incipient Sick CPSE”. Department of Telecommunication (DOT) has also confirmed the status vide its issue no. I/3000697/ 2017 through file no. 19-17/2017 – SU-II.

However, the standalone financial results of the Company have been prepared on a going concern basis keeping in view the majority stake of the Government of India.

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

Recently, as per F.NO.20-28/2022-PR dated 2nd August, 2022, the Union Cabinet in its meeting held on 27.07.2022 has 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 in two financial years i.e 2022 & 2023 with waiver of guarantee fee to repay its high cost debt and restructure it with new sustainable loan. During the quarter and nine months ended December 31st 2022, the company has raised Rs. 8867.50 Crores.

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

- a) The Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3513.21 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone financial results of the Company.
- b) The Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs. 115.97 Crores has not been carried forward resulting in understatement of loss to that extent.

- iii. The Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 92.13Crores, out of which Rs. 91.98Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone financial results of the Company

- iv. Up to 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, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual



liability resulting in understatement of current liabilities and understatement of loss to that extent.

- v. The Company had allocated the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the standalone financial results for the quarter and nine months ended December 31st 2022 is not ascertained and quantified.
- 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 and nine months ended December 31st, 2022, 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 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 and nine months ended December 31st, 2022.
- 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 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 standalone financial results are not ascertainable and quantifiable.
- viii. Unlinked credit of Rs. 70.48 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 are not ascertainable and quantifiable.
- ix. 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. The resultant impact of the same on the standalone financial results by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.



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.

As explained the demand for spectrum usage for CDMA for Rs 107.44 Crores has been withdrawn by DOT on account of rectification of actual usage.



Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Apex 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. 3205.71 Crores has been disclosed as contingent liability till FY 2018-19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTSC on spectrum allotted beyond 6.2 Mhz , directed Govt. to review the demand for spectrum allotted after 1-7-2008 and that too wef 1-1-2013 in case the spectrum beyond 6.2 Mhz was allotted before 1-1-2013. As explained , as per the TDSAT orders also no further demand is 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 of the Company.

- xi. The company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter. The actual impact of the same on the standalone financial results for the quarter and nine months ended December 31st, 2022 has not been ascertained and quantified
- xii. The TDS on provision for Expenses (Accrued Liability) has not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the standalone financial results for the quarter and nine month ended December 31st, 2022 has not been ascertained and quantified.
- xiii. The Company is making the provision for interest for late/non-payment to MSME vendors and the company has not complied with the provision of chapter XVII- B of Income Tax Act, 1961 on such provision for interest. The actual impact of the same on the standalone financial results for quarter and nine month ended December 31st, 2022 is not ascertained and quantified.
- xiv. The income arising on account of rental income in respect of property occupied by the BSNL in Delhi unit amounting to Rs. 8.38 Crores and Rs. 33.53 Crores accrued during the quarter and nine month December 31st, 2022 respectively has not been recognized in the Standalone financial results. 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 financial results of such income for the quarter and nine month ended December 31st, 2022 and preceding years is not ascertained and quantified.
- xv. Out of the total revenue from operations for the quarter and nine months ended December 31st, 2022 Rs. 203.19 Crores and Rs. 659.22 Crores respectively, in respect of Delhi unit revenue of Rs. 1.17 Crores has been computed and accounted for Interconnect billing for the quarter and nine months ended December 31st, 2022 under review, on the basis of assumption of Incoming traffic (in minutes) of Sept 2022.

The above basis for qualified conclusion referred to in Para no. (i) to (xv) were subject matter of qualification in the Auditor's Report for the year ended on March 31st, 2022 and in the Limited review report for the quarter ended June 30th 2022 and half year ended September 30th, 2022.



In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (v), (vi), (vii),(viii), (ix), (x), (xi), (xii), (xiii),(xiv) & (xv) on the standalone financial result of the Company for the quarter and nine month ended December 31st, 2022.

For SMPG & Co.
Chartered Accountants
FRN NO. 509249N



Mandeep Singh
(CA Mandeep Singh Arora)

Partner
M.No. 091243
UDIN: 23091243BGSKBV5868

For SCV & Co. LLP
Chartered Accountants
FRN NO. 000235N/N500089

Abhinav Khosla

(CA ABHINAV KHOSLA)

Partner
M No. 087010
UDIN: 23087010BGZFDZ3523



Place: Delhi
Date:14th February 2023

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

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CIN No: L32101DL1986GOI023501

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31/12/2022

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED					
		Three Month Ended			Nine Month Ended		Year Ended
		3 months ended 31/12/2022	Preceeding 3 months ended 30/09/2022	Corresponding 3 months ended 31/12/2021 in the previous year	Year to date figures for Current period ended 31/12/2022	Year to date figures for previous period ended 31/12/2021	Previous year ended 31/03/2022
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
I	Revenue from operations	227.41	237.92	303.56	716.05	910.45	1,149.04
II	Other Income	126.87	137.43	112.76	414.13	347.59	628.88
III	Total Income (I +II)	354.28	375.34	416.32	1,130.18	1,258.04	1,777.92
IV	Expenses						
	Purchases of stock-in-trade	2.75	1.11	1.64	4.96	3.77	6.26
	License Fees & Spectrum Charges	21.77	22.84	29.54	68.71	95.38	114.24
	Employee benefits expense	129.82	132.98	138.50	402.55	410.48	558.64
	Finance cost	592.24	581.04	552.43	1,713.44	1,601.52	2,139.62
	Revenue Sharing	16.17	17.61	14.63	50.70	85.50	101.30
	Depreciation and amortization expense	181.34	183.65	192.39	548.28	585.18	772.02
	Other Expenses	186.10	174.61	146.86	509.33	479.88	687.19
	Total Expenses (IV)	1,130.18	1,113.84	1,075.99	3,297.96	3,261.71	4,379.28
V	Profits/(Loss) before exceptional items and tax(III-IV)	(775.90)	(738.50)	(659.67)	(2,167.78)	(2,003.67)	(2,601.36)
VI	Share of Profit/(loss) in investments accounted for using equity method	0.40	0.50	0.39	1.22	1.14	1.15
VII	Exceptional items	-	-	-	-	-	-
VIII	Profit/ (Loss) before tax (V+ VI-VII)	(775.50)	(737.99)	(659.28)	(2,166.56)	(2,002.53)	(2,600.21)
IX	Tax expense						
	(1) Current tax	-	-	-	-	-	2.44
	(2) Deferred tax	-	-	-	-	-	0.48
X	Profit/ (Loss) for the period from continuing operations (VIII - IX)	(775.50)	(737.99)	(659.28)	(2,166.56)	(2,002.53)	(2,603.12)
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)	(775.50)	(737.99)	(659.28)	(2,166.56)	(2,002.53)	(2,603.12)
XV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	1.21	2.42	-	3.62	(5.75)	(13.98)
	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	2.23	2.02	(3.21)	4.25	(6.69)	(6.65)
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income for the year	3.44	4.43	(3.21)	7.87	(12.45)	(20.63)
XVI	Total Comprehensive Income for the period (XIV+XV)	(772.06)	(733.56)	(662.49)	(2,158.69)	(2,014.98)	(2,623.76)
XVII	Paid up Equity Share Capital	-	-	-	-	-	630.00
XVIII	Other Equity excluding revaluation reserves	-	-	-	-	-	(19,298.26)
XIX	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)						
	(1) Basic	(12.31)	(11.71)	(10.46)	(34.39)	(31.79)	(41.32)
	(2) Diluted	(12.31)	(11.71)	(10.46)	(34.39)	(31.79)	(41.32)
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	(12.31)	(11.71)	(10.46)	(34.39)	(31.79)	(41.32)
	(2) Diluted	(12.31)	(11.71)	(10.46)	(34.39)	(31.79)	(41.32)

See accompanying notes to the financial results:

May kindly see for approval for filing with Stock Exchanges and publication in newspapers.

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CFO

14/12/23
14/12/23



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14/12/23



MAHANAGAR TELEPHONE NIGAM LIMITED

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CIN No: L32101DL1986GOI023501

UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED ON 31/12/2022

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED					
		Three Month Ended			Nine Month Ended		Year Ended
		3 months ended 31/12/2022	Preceding 3 months ended 30/09/2022	Corresponding 3 months ended 31/12/2021 in the previous year	Year to date figures for Current period ended 31/12/2022	Year to date figures for previous period ended 31/12/2021	Previous year ended 31/03/2022
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
	Basic & other Services	188.77	210.04	253.78	622.18	755.81	992.63
	Cellular	38.98	28.27	50.10	94.95	155.64	157.75
	Unallocable	-	-	0.00	-	0.00	0.02
	Total	227.75	238.31	303.88	717.13	911.46	1,150.39
	Less: Inter Segment Revenue	0.34	0.39	0.32	1.07	1.01	1.35
	Net Revenue from Operations	227.41	237.92	303.56	716.05	910.45	1,149.04
2.	Segment Result before interest income, exceptional items, finance cost and tax						
	Basic & other Services	(34.26)	(35.91)	0.08	(60.43)	(82.88)	(141.38)
	Cellular	(143.89)	(111.53)	(96.83)	(369.61)	(309.99)	(437.29)
	Unallocable	(10.95)	(10.83)	(13.89)	(33.32)	(18.82)	33.14
	Total	(189.09)	(158.28)	(110.64)	(463.36)	(411.69)	(545.53)
	Add: Exceptional Items	-	-	-	-	-	-
	Add: Interest income	5.44	0.82	3.40	9.02	9.54	83.80
	Less: Finance cost	592.24	581.04	552.43	1,713.44	1,601.52	2,139.62
	Add: Share of profit or loss from Associates/ JV	0.40	0.50	0.39	1.22	1.14	1.15
	Profit/ (Loss) before tax	(775.50)	(737.99)	(659.28)	(2166.56)	(2002.53)	(2600.21)
	Less: Provision for Current Tax & Deferred tax	-	-	-	-	-	2.91
	Profit/ (Loss) after tax	(775.50)	(737.99)	(659.28)	(2166.56)	(2002.53)	(2603.12)
3.	Capital Employed (Segment Assets - Segment Liabilities)						
	Segment Asset						
	Basic & other Services	6,439.92	6,562.45	6,944.83	6,439.92	6,944.83	6,633.66
	Cellular	3,790.48	3,910.35	4,252.85	3,790.48	4,252.85	4,066.71
	Unallocable/Eliminations	1,355.89	1,475.60	1,222.89	1,355.89	1,222.89	1,616.38
	Total Segment Assets	11,586.29	11,948.40	12,420.57	11,586.29	12,420.57	12,316.74
	Segment Liabilities						
	Basic & other Services	2,514.34	2,732.16	2,707.24	2,514.34	2,707.24	2,688.53
	Cellular	27,572.22	27,139.81	25,609.59	27,572.22	25,609.59	26,092.99
	Unallocable/Eliminations	2,326.67	2,131.31	2,163.06	2,326.67	2,163.06	2,203.48
	Total Segment Liabilities	32,413.23	32,003.28	30,479.88	32,413.23	30,479.88	30,985.00
	Segment Capital Employed						
	Basic & other Services	3,925.58	3,830.28	4,237.60	3,925.58	4,237.60	3,945.13
	Cellular	(23,781.74)	(23,229.46)	(21,356.74)	(23,781.74)	(21,356.74)	(22,026.28)
	Unallocable/Eliminations	(970.79)	(655.71)	(940.16)	(970.79)	(940.16)	(587.11)
	Capital Employed	(20826.94)	(20054.88)	(18059.31)	(20826.94)	(18059.31)	(18668.26)




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 14.02.2023 and approved by the Board of Directors of the Company at their meeting held on the same date.
- Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015

S.No.	Particulars	Three Month Ended			Nine Month Ended		Year Ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		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)]	(0.00)	0.02	0.09	0.01	0.07	0.08
b	Interest Service Coverage Ratio (in times) [EBITDA/Finance Cost]	(0.00)	0.05	0.15	0.06	0.11	0.14
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) #	-	-	45.27	-	45.27	-
f	Net Worth (in Rs Crs) (As per Section 2(57) of Companies Act 2013)	(20,826.94)	(20,054.88)	(18,059.31)	(20,826.94)	(18,059.31)	(18,668.26)
g	Net Profit/ (Loss) After Tax (in Rs Crs)	(775.50)	(737.99)	(659.28)	(2,166.56)	(2,002.53)	(2,603.12)
h	Earnings Per Share (in Rs) (Not Annualised)	(12.31)	(11.71)	(10.46)	(34.39)	(31.79)	(41.32)
i	Current Ratio (In times) [Current Assets /Current Liabilities]	0.57	0.36	0.46	0.57	0.46	0.43
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.36)	(1.38)	(1.47)	(1.36)	(1.47)	(1.43)
k	Long Term Debt to Working Capital (in times) Long Term Debt excluding lease liability + Current Maturities of Long Term Debt Working Capital excluding current maturities of Long Term Borrowings	(7.77)	(2.48)	(4.34)	(7.77)	(4.34)	(4.17)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.10	0.01	0.00	0.10	0.00	0.01
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.30	0.51	0.43	0.30	0.43	0.44
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	2.47	2.33	2.15	2.47	2.15	2.18
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.40	1.39	1.51	1.46	1.51	1.59
p	** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)	23,159.85	18,199.40	19,239.35	23,159.85	19,239.35	19,661.18
q	Operating Margin (%) [(EBIT - Other Income)/ Revenue from Operations]	(136.37)%	(123.73)%	(72.35)%	(121.12)%	(82.22)%	(95.07)%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	(341.01)%	(310.19)%	(217.18)%	(302.57)%	(219.95)%	(226.55)%

- # MTNL is a listed company and issued debentures on private placement basis, there is no adequacy to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) of Companies (Share Capital and Debenture) Rules, 2014.
- ** Paidup debt Capital/Outstanding Debt (excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 4,533.97 Cr for which the liability to pay interest and principal is on Government of India). Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- During the current reporting quarter, Company raised Rs. 8867.50 Crore Non-Convertible Debentures based on Sovereign Guarantee given by Government of India
- 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 for balance of 25 % of the amount claimed and unsettled. The provision of Rs. 375.96 crores for claim is retained while showing Rs. 243.23 crores as contingent reserve to meet any contingency.
- MTNL dispute with M/s. M & N Publications Limited in connection with telephone directories of years 1993-98 and the subsequent awards by arbitrator in respect of MTNL are challenged by M/s. M & N Publications Limited. The claim of Rs. 59.32 crores on this account has been shown as contingent liability in Delhi unit.
- 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
- 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
- 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
- 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
- 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 and Standard operating procedure is under finalisation. The financial impact of same, if any, will be accounted for on finalisation
- The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation.

For and on behalf of the Board


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

Place : New Delhi
Date : 14.02.2023



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Independent Auditor's Review Report on Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31st, 2022 of Mahanagar Telephone Nigam Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Mahanagar Telephone Nigam Limited ("The Holding") and its subsidiaries (the Holding and its subsidiaries together referred to as "The Group"), and its share of the net profit after tax and total comprehensive income of its joint venture and associate for the quarter and nine months ended December 31st, 2022 ("The Statement") attached herewith, being submitted by the holding pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Holding's Management and approved by the Holding'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, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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

(a) **List of Subsidiaries:**

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

* As per consolidated financial results



(b) List of Joint Venture:

- MTNL STPI IT Services Limited ('MSISL')

(c) List of Associate:

- United Telecommunications Limited ('UTL')

4. Basis for Qualified Conclusion

Based on the information provided to us by the Management of Mahanagar Telephone Nigam Limited, we have given in the Annexure – I to this report the basis for qualified conclusions.

5. Qualified Conclusion

Based on our review conducted and procedures performed as stated in paragraph 2 above and based on the interim financial results and other financial information certified by the management of holding company referred to in paragraph 7 below, 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, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

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

- i. Note No 8. In case of Holding company, with reference to pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Holding Company u/s 80 IA 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 9 In case of Holding company, the impact of accounting of claims and counter claims of MTNL with M/S M&N Publications Ltd., in a dispute over printing, publishing and supply of telephone directories for MTNL, will be given in the year when the ultimate collection / payment of the same becomes reasonably certain.
- iii. Note No 10. In case of Holding company, the amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund {GPF} of Combined Service Optees absorbed employees in 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 in going on between the Holding Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.
- iv. Note No 11 In case of Holding company, the payables towards license fees and spectrum usage charges have been adjusted with excess pension payouts to Combined Pensioners Optees recoverable from DOT in respect of which matter is under consideration and correspondence is going on between the Holding Company and DOT.

Note No 12 The License agreement between 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 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.

- vi. Note No 13 In case of Holding company, the 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.
- vii. Note No. 14 The operations and maintenance of wireless network of the Holding company has been handed over to BSNL as an outsource agency from 1.4.2021 (in case of Delhi) and 1.9.2021 (in case of Mumbai) onwards. Pending finalization of standard operating procedures the financial impact of the same (if any) will be accounted for on finalization of operational modalities

Our conclusion is not modified in respect of aforesaid matters.

Other Matters:

- 7. (a) The Statement includes interim financial results and other financial information of 2 subsidiaries whose interim financial results and other financial information reflect total income of Rs. 24.69 Crores and Rs 58.25 Crores, net profit/(loss) of Rs. 2.15 Crores and Rs (2.42) Crores, and total comprehensive income of Rs. 4.37 Crores and Rs. 1.82 Crores for the quarter and nine months ended December 31st, 2022 respectively and the interim financial results and other financial information of 1 joint venture which reflects Group's share of net profit after tax and total comprehensive income of Rs. 0.40 Crores and Rs. 1.22 Crores for the quarter and nine months ended December 31st, 2022 respectively which are certified by the Management. The accompanying consolidated financial results also includes unaudited financial results and other unaudited financial information in respect of 1 associate, whose financial results/statements reflect the Group's share of net loss and the Group's share of total comprehensive loss of Rs. NIL and Rs. NIL, for the quarter and nine months ended December 31st, 2022 respectively 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 review of Unaudited consolidated financial results for the period & quarter ended December 2021 and Quarter and Period ended September 2022 & September 2021, were carried out by SPMG & Co. jointly with another firm of chartered accountants, and the Auditors had expressed a modified opinion in relation thereto vide review report dated 14th February 2022, dated 14th Nov 2022 & dated 12th November 2021 respectively.

Our conclusion is not modified in this respect of these matters

For SPMG & Co.
Chartered Accountants
FRN NO. 509249N



(CA Mandeep Singh Arora)

Partner

M.No. 091243

UDIN:23091243BGSKBW2345



For SCV & Co. LLP
Chartered Accountants
FRN NO. 000235N/N500089



(CA ABHINAV KHOSLA)

Partner

M No. 087010

UDIN: 23087010BGZFEEA4603

Place: Delhi

Date: 14th February 2023



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

- i. The Net Worth of the Holding Company has been fully eroded; The Holding Company has incurred net cash loss during the quarter and Nine months ended December 31st, 2022 as well as in the previous year ended 31st March 2022 and the current liabilities exceeded the current assets substantially.

Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the 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.

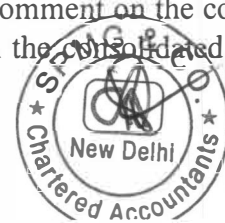
Further, Union Cabinet has also approved the "Revival plan of BSNL and MTNL" by reducing employee costs, administrative allotment of spectrum for 4G services, debt restructuring by raising of sovereign guarantee bonds, monetization of assets and in principle approval for merger of BSNL and MTNL. Further,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

Recently, As per F.NO.20-28/2022-PR dated 2nd August, 2022, the Union Cabinet in its meeting held on 27.07.2022 has 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 in next two financial years i.e 2022 & 2023 with waiver of guarantee fee to repay its high cost debt and restructure it with new sustainable loan. During the quarter and nine months ended December 31st 2022, the company has raised Rs. 8867.50 Crores.

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

- a) The Holding Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3513.21 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the consolidated financial results of the Holding Company.
- 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. 115.97 Crores has not been carried forward resulting in understatement of loss to that extent.

- iii. The Holding Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 92.13 Crores, Out of which Rs. 91.98 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the consolidated financial results of the Holding Company.



- iv. Up to 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, 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.
- v. The Holding Company had allocated the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the consolidated financial results is not ascertained and quantified.
- 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 and nine months ended December 31st, 2022, 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 and nine months ended December 31st, 2022.
- 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. Unlinked credit of Rs. 70.48 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.
- ix. 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. The resultant impact of the same on the consolidated financial results by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.



- x. 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.

As explained the demand for spectrum usage for CDMA for Rs 107.44 Crores has been withdrawn by DOT on account of rectification of actual usage.

Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Apex 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. 3205.71 Crores has been disclosed as contingent liability till FY 2018-19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTSC on spectrum allotted beyond 6.2 Mhz, directed Govt. to review the demand for spectrum allotted after 1-7-2008 and that too w.e.f 1-1-2013 in case the spectrum beyond 6.2 Mhz was allotted before 1-1-2013. As explained, as per the TDSAT orders also no further demand is 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 of the Holding Company.

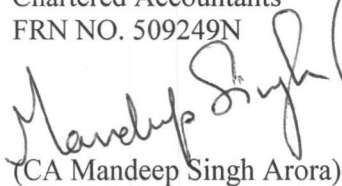
- xi. The Holding Company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter. The actual impact of the same on the consolidated financial result for quarter and nine months ended December 31st, 2022 is not ascertained and quantified.
- xii. The TDS on provision for Expenses (Accrued Liability) has not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the consolidated financial result for quarter and nine months ended December 31st, 2022 is not ascertained and quantified.
- xiii. The Holding Company is making the provision for interest for late/non-payment to MSME vendors and the company has not complied with the provision of chapter XVII- B of Income Tax Act, 1961 on such provision for interest. The actual impact of the same on the consolidated financial results for quarter and nine months ended December 31st, 2022 is not ascertained and quantified.
- xiv. The income arising on account of rental in respect of property occupied by the BSNL amounting to Rs. 8.38 Crores and Rs. 33.52 Crores accrued during the quarter and nine months ended December 31st, 2022 respectively has not been recognized in the Consolidated financial results. Accordingly, the Goods and Services Tax (GST) has also not been considered. The accumulated impact on the consolidated financial results of such income for the quarter and nine months ended December 31st, 2022 and preceding years is not ascertained and quantified.



- xv. The above basis for qualified conclusion referred to in Para no. (i) to (xv) were subject matter of qualification in the Auditor's Report for the year ended March 31st, 2022 and in the Limited review report for the quarter ended June 30th 2022 and half year ended September 30th, 2022.

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (v), (vi), (vii),(viii), (ix), (x), (xi), (xii), (xiii) (xiv)and (xv) on the consolidated financial result of the Holding Company for the quarter and nine months ended December 31st, 2022.

For SMPG & Co.
Chartered Accountants
FRN NO. 509249N



(CA Mandeep Singh Arora)

Partner

M.No. 091243

UDIN:23091243BGSKBW2345



For SCV & Co. LLP
Chartered Accountants
FRN NO. 000235N/N500089



(CA ABHINAV KHOSLA)

Partner

M No. 087010

UDIN: 23087010BGZFEEA4603

Place: Delhi

Date:14th February 2023



MAHANAGAR TELEPHONE NIGAM LIMITED

(A Govt. of India Enterprise)

Corporate & Registered Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003

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

CIN No: L32101DL1986GO1023501

EXTRACT OF UNAUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31/12/2022

(Rs. in Crore)

Particulars	STANDALONE					CONSOLIDATED				
	Three Month Ended		Nine Month Ended		Year Ended	Three Month Ended		Nine Month Ended		Year Ended
	3 months ended 31/12/2022	Corresponding 3 months ended 31/12/2021 in the previous year	Year to date figures for Current period ended 31/12/2022	Year to date figures for previous period ended 31/12/2021	Previous year ended 31/03/2022	3 months ended 31/12/2022	Corresponding 3 months ended 31/12/2021 in the previous year	Year to date figures for Current period ended 31/12/2022	Year to date figures for previous period ended 31/12/2021	Previous year ended 31/03/2022
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1 Total Income from Operations	203.19	279.06	659.22	850.76	1,069.72	227.41	303.56	716.05	910.45	1,149.04
2 Net Profit/ (Loss) for the period before exceptional items & tax	(778.04)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)	(775.50)	(659.28)	(2,166.56)	(2,002.53)	(2,600.21)
3 Net Profit/ (Loss) for the period before Tax(after Exceptional items)	(778.04)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)	(775.50)	(659.28)	(2,166.56)	(2,002.53)	(2,600.21)
4 Net Profit/ (Loss) for the period after Tax	(778.04)	(663.18)	(2,164.96)	(2,004.51)	(2,602.59)	(775.50)	(659.28)	(2,166.56)	(2,002.53)	(2,603.12)
5 Total Comprehensive Income for the period (Comprising net profit/(loss) after tax and other comprehensive income after tax)	(776.83)	(663.18)	(2,161.34)	(2,010.26)	(2,616.57)	(772.06)	(662.49)	(2,158.69)	(2,014.98)	(2,623.76)
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	(21,447.79)	(18,679.97)	(21,447.79)	(18,679.97)	(19,286.45)	(21,456.94)	(18,689.31)	(21,456.94)	(18,689.31)	(19,298.26)
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	(20,817.79)	(18,049.97)	(20,817.79)	(18,049.97)	(18,656.45)	(20,826.94)	(18,059.31)	(20,826.94)	(18,059.31)	(18,668.26)
10 Paid up Debt Capital/ Outstanding Debt	23,159.85	19,239.35	23,159.85	19,239.35	19,661.18	23,159.85	19,239.35	23,159.85	19,239.35	19,661.18
11 Outstanding Redeemable Preference Shares	-	-	-	-	-	-	-	-	-	-
12 Debt Equity Ratio (in times)	(1.37)	(1.47)	(1.37)	(1.47)	(1.43)	(1.36)	(1.47)	(1.36)	(1.47)	(1.43)
13 Earnings Per Share (of Rs.10 each) for continuing and discontinued operations- (not annualised) (In Rs.)										
1. Basic :	(12.35)	(10.53)	(34.36)	(31.82)	(41.31)	(12.31)	(10.46)	(34.39)	(31.79)	(41.32)
2. Diluted :	(12.35)	(10.53)	(34.36)	(31.82)	(41.31)	(12.31)	(10.46)	(34.39)	(31.79)	(41.32)
14 Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-
15 Debenture Redemption Reserve	-	45.27	-	45.27	-	-	45.27	-	45.27	-
16 Debt Service Coverage Ratio (DSCR)	(0.00)	0.08	0.01	0.07	0.08	(0.00)	0.09	0.01	0.07	0.08
17 Interest Service Coverage Ratio (ISCR)	(0.01)	0.14	0.05	0.11	0.14	(0.00)	0.15	0.06	0.11	0.14

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 14.02.2023 and approved by the Board of Directors of the Company at their meeting held on the same date.
- 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.

For and on behalf of the Board


(R.K. Punwar)

Chairman & Managing Director

DIN: 06619060

Place: New Delhi

Date: 14.02.2023

A. Statement of Utilization of Issue Proceeds (as on 14.02.2023)

Name of the Issuer	ISIN	Mode of Fund Raising (Public Issues/Private Placement)	Type of Instrument	Date of raising funds	Amount Raised (in Rs Crs)	Funds Utilized (in Rs Crs)	Any Deviation (Yes/No)	If 8 is yes , then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
MAHANAGAR TELEPHONE NIGAM LIMITED (MTNL)	INE153A08105	Private Placement	GOVERNMENT OF INDIA GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES	15.11.2022	6,109.60	6,109.60	NO	-	-
	INE153A08113	Private Placement	GOVERNMENT OF INDIA GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES	01.12.2022	2,757.90	2,757.90	NO	-	-
Total					8,867.50	8,867.50			

B. Statement of Deviation/ variation in use of issue Proceeds (as on 14.02.2023)

Particulars	Remarks
Name of listed entity	MAHANAGAR TELEPHONE NIGAM LIMITED (MTNL)
Mode of fund raising	Private placement
Type of instrument	GOVERNMENT OF INDIA GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES
Date of raising funds	15.11.2022 01.12.2022
Amount raised (in Rs Cr)	6,109.60 2,757.90
Report filed for quarter ended	December 31, 2022
Is there a deviation/ variation in use of funds raised?	NO
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable
If yes, details of the approval so required?	
Date of approval	
Explanation for the deviation/ variation	
Comments of the audit committee after review	
Comments of the auditors, if any	
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:	

Series	Original object	Modified object, if any	Original allocation (Amount in Rs Cr)	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
VII - A	For repayment of Principal and interest amount		5,109.60		5,109.60		Funds have been utilized for the purpose for which it was raised and therefore there is no deviation or variation in the use of funds

VII - B	For repayment of Principal and Interest amount of outstanding debts		2,757.90		2,757.90	Funds have been utilized for the purpose for which it was raised and therefore there is no deviation or variation in the use of funds
			8,867.50		8,867.50	

Deviation could mean:

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

Sign of Signatory 

Name of signatory: S R Sayal

Designation: Company Secretary

Date: February 14, 2023