

महानगर टेलीफोन निगम लि.  
(भारत सरकार का उद्यम)  
**Mahanagar Telephone Nigam Ltd.**  
(A Government of India Enterprise)



MTNL/SECTT/SE/2019  
November 14, 2019

The Secretary,  
Bombay Stock Exchange,  
National Stock Exchange,  
OTCQX

**Sub: Compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Submission of Un-audited Reviewed Financial Results along with Limited review Report for the Quarter ended 30<sup>th</sup> September, 2019.**

Dear Sir,

Further to our letter of even no.dtd. October 28, 2019, 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 30<sup>th</sup> September, 2019 duly approved by the Board of Directors in its Meeting held in New Delhi today i.e. 14<sup>th</sup> November, 2019.

Kindly acknowledge receipt of the same and take the same on record.

The results are 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: As above

①

पंजीकृत एवं निगम कार्यालय : महानगर दूरसंचार सदन, 5 वां तल, 9 सी.जी.ओ. कॉम्प्लेक्स, लोधी रोड, नई दिल्ली-110003  
फोन कार्यालय : 24319020, फैक्स : 24324243

Regd. & Corporate Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi-110003 India  
Phone Off.: 24319020, Fax : 24324243

आप हमारे साथ हिन्दी में भी पत्राचार कर सकते हैं।

## 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

CIN No: L32101DL1986GOI023501

## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2019

(Rs. in Crore)

Sl. No.	Particulars	STANDALONE					Previous year ended 31/03/2019
		Three Month Ended			Six Month Ended		
		3 months ended 30/09/2019	Preceding 3 months ended 30/06/2019	Corresponding 3 months ended 30/09/2018 in the previous year	Year to date figures for Current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
I	Revenue from operations	369.32	412.35	444.12	781.67	936.46	1,987.80
II	Other Income	239.30	111.11	177.13	350.41	292.54	618.91
III	Total Income (I + II)	608.62	523.46	621.26	1,132.08	1,229.00	2,606.71
IV	Expenses						
	License Fees & Spectrum Charges	36.43	36.57	39.32	73.00	83.25	176.55
	Employees' Remuneration and benefits	601.40	635.75	572.83	1,237.15	1,180.77	2,272.03
	Finance cost	483.55	474.69	422.72	958.24	821.83	1,703.18
	Revenue Sharing	23.96	30.07	40.52	54.03	75.54	162.18
	Depreciation and amortization expense	245.88	248.90	246.05	494.79	497.29	983.70
	Administrative Expenses	167.20	150.50	158.87	317.71	345.64	699.27
	Total Expenses (IV)	1,558.42	1,576.50	1,480.30	3,134.92	3,031.43	5,996.91
V	Profits/(Loss) before exceptional items and tax(III-IV)	(949.80)	(1,053.04)	(859.05)	(2,002.84)	(1,802.43)	(3,390.20)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit/ (Loss) before tax (V- VI)	(949.80)	(1,053.04)	(859.05)	(2,002.84)	(1,802.43)	(3,390.20)
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
IX	Profit/ (Loss) for the period from continuing operations (VII - VIII)	(949.80)	(1,053.04)	(859.05)	(2,002.84)	(1,802.43)	(3,390.20)
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)	(949.80)	(1,053.04)	(859.05)	(2,002.84)	(1,802.43)	(3,390.20)
XIV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	-	-	-	-	-	(7.39)
	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	-	-	-	-	-	(7.39)
XV	Total Comprehensive Income for the period (XIII+XIV)	(949.80)	(1,053.04)	(859.05)	(2,002.84)	(1,802.43)	(3,397.58)
XVI	Paid up Equity Share Capital						630.00
XVII	Other Equity excluding revaluation reserves						(10,364.94)
XVIII	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised)						
	(1) Basic	(15.08)	(16.71)	(13.64)	(31.79)	(28.61)	(53.81)
	(2) Diluted	(15.08)	(16.71)	(13.64)	(31.79)	(28.61)	(53.81)
XIX	Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised)						
	(1) Basic	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-
XX	Earnings per equity Share of Rs.10 each (for discontinued & continuing operations): (not annualised)						
	(1) Basic	(15.08)	(16.71)	(13.64)	(31.79)	(28.61)	(53.81)
	(2) Diluted	(15.08)	(16.71)	(13.64)	(31.79)	(28.61)	(53.81)

See accompanying notes to the financial results:

May kindly see for approval for publication in the newspapers and for forwarding to the Stock Exchanges.

Director (Finance)

*[Signature]*  
14/11/19

*[Signature]*  
14.11.19

*[Signature]*  
14/11/19



*[Signature]*

**Notes:**

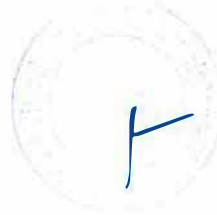
1. The financial results have been prepared in accordance with the Indian Accounting Standards (Ind- AS) as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
2. The above results have been reviewed and recommended for adoption by the Audit Committee in their meeting held on 14.11.2019 and approved by the Board of Directors of the Company at their meeting held on the same date.
3. Other Income includes Rs. 100 Crores on account of excess provision written back against investment in ITI Limited and Rs. 14.64 crores pertaining to interest on Income Tax refund.
4. The Auditors of the Company have carried out 'Limited Review' of the above financial results for the quarter ended 30th September, 2019. The figures for net cash outflows for the half year ended 30th September, 2018 as reported in the statement have been approved by the Board of directors and have not been subjected to limited review. However, the management exercised necessary due diligence in preparing these results.
5. Effective April 1, 2019, the company has adopted Ind AS 116 'Leases' using retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this method, the company recognizes a lease liability at the present value of all the remaining lease payments on April 1, 2019, and a right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the commencement of the lease. Further, as required under the modified retrospective method, the previous period information is not restated and so not comparable. The adoption of the standard did not have any material impact on the financial results of the company.

Place : New Delhi  
Date : 14.11.2019

For and on behalf of the Board



(Sunil Kumar)  
Chairman & Managing Director  
DIN No. 06628803



## 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 &amp; LIABILITIES FOR THE QUARTER AND SIX MONTH ENDED ON 30/09/2019

(Rs. in Crore)

		STANDALONE					
		Three Month Ended			Six Month Ended		Year Ended
Sl. No.	Particulars	3 months ended 30/09/2019	Preceeding 3 months ended 30/06/2019	Corresponding 3 months ended 30/09/2018 in the previous Year	Year to date figures for Current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	<b>Revenue from Operations</b>						
	Basic & other Services	331.09	371.88	388.09	702.97	818.89	1,714.97
	Cellular	38.73	41.13	57.09	79.86	119.72	277.00
	Unallocable	-	-	-	-	-	-
	<b>Total</b>	<b>369.82</b>	<b>413.01</b>	<b>445.18</b>	<b>782.83</b>	<b>938.61</b>	<b>1,991.97</b>
	Less: Inter Segment Revenue	0.50	0.66	1.06	1.17	2.15	4.18
	<b>Net Revenue from Operations</b>	<b>369.32</b>	<b>412.35</b>	<b>444.12</b>	<b>781.67</b>	<b>936.46</b>	<b>1,987.80</b>
2.	<b>Segment Result before interest income, exceptional items, finance cost and tax</b>						
	Basic & other Services	(405.41)	(383.70)	(289.33)	(789.11)	(662.16)	(1,168.98)
	Cellular	(188.67)	(183.86)	(157.20)	(372.54)	(334.35)	(648.80)
	Unallocable	99.39	(23.17)	(11.62)	76.23	(24.66)	35.96
	Add: Exceptional items	-	-	-	-	-	-
	Add: Interest Income	28.44	12.38	21.83	40.83	40.56	94.80
	Less: Finance cost	483.55	474.69	422.72	958.24	821.83	1,703.18
	<b>Profit/ (Loss) before tax</b>	<b>(949.80)</b>	<b>(1053.04)</b>	<b>(859.05)</b>	<b>(2002.84)</b>	<b>(1802.43)</b>	<b>(3390.20)</b>
	Less: Provision for Current Tax & Deferred tax	-	-	-	-	-	-
	<b>Profit/ (Loss) after tax</b>	<b>(949.80)</b>	<b>(1,053.04)</b>	<b>(859.05)</b>	<b>(2,002.84)</b>	<b>(1,802.43)</b>	<b>(3,390.20)</b>
3.	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>						
	<b>Segment Asset</b>						
	Basic & other Services	7,335.62	7,539.92	8,978.47	7,335.62	8,978.47	7,675.46
	Cellular	4,996.97	5,089.04	5,108.08	4,996.97	5,108.08	4,952.90
	Unallocable/Eliminations	1,880.87	1,937.99	2,025.37	1,880.87	2,025.37	2,049.06
	<b>Total Segment Assets</b>	<b>14,213.46</b>	<b>14,566.95</b>	<b>16,111.92</b>	<b>14,213.46</b>	<b>16,111.92</b>	<b>14,677.42</b>
	<b>Segment Liabilities</b>						
	Basic & other Services	4,534.94	4,340.44	4,959.63	4,534.94	4,959.63	4,253.58
	Cellular	22,024.85	21,947.60	15,503.46	22,024.85	15,503.46	21,145.24
	Unallocable/Eliminations	(569.48)	(894.61)	3,788.40	(569.48)	3,788.40	(986.47)
	<b>Total Segment Liabilities</b>	<b>25,990.31</b>	<b>25,393.43</b>	<b>24,251.49</b>	<b>25,990.31</b>	<b>24,251.49</b>	<b>24,412.36</b>

For and on behalf of the Board



Chairman &amp; Managing Director

DIN No. 06628803

Place : New Delhi

Date : 14.11.2019



**MAHANAGAR TELEPHONE NIGAM LIMITED**

(A Govt. of India Enterprise)

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CIN No: L32101DL1986GOI023501

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED ON 30/09/2019**

(Pursuant to Regulation 52 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015)

(Rs. in Crore)

Sl. No.	Particulars	6 months ended	Corresponding 6	Previous
		30/09/2019	months ended	accounting year
		UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	781.67	936.46	1,987.80
II	Other Income	350.41	292.54	618.91
III	<b>Total Income (I +II)</b>	<b>1,132.08</b>	<b>1,229.00</b>	<b>2,606.71</b>
IV	<b>Expenses</b>			
	License Fees & Spectrum Charges	73.00	83.25	176.55
	Employees' Remuneration and benefits	1,237.15	1,207.88	2,272.03
	Finance cost	958.24	821.83	1,703.18
	Revenue Sharing	54.03	75.54	162.18
	Depreciation and amortization expense	494.79	497.29	983.70
	Administrative Expenses	317.71	345.64	699.27
	<b>Total Expenses (IV)</b>	<b>3,134.92</b>	<b>3,031.43</b>	<b>5,996.91</b>
V	<b>Profits/(Loss) before exceptional items and tax(III-IV)</b>	<b>(2,002.84)</b>	<b>(1,802.43)</b>	<b>(3,390.20)</b>
VI	Exceptional items	-	-	-
VII	<b>Profit/ (Loss) before tax (V- VI)</b>	<b>(2,002.84)</b>	<b>(1,802.43)</b>	<b>(3,390.20)</b>
	(1) Current tax	-	-	-
	(2) Deferred tax	-	-	-
IX	<b>Profit/ (Loss) for the period from continuing operations (VII - VIII)</b>	<b>(2,002.84)</b>	<b>(1,802.43)</b>	<b>(3,390.20)</b>
X	Profit/ (Loss) from discontinued operations	-	-	-
XI	Tax expense of discontinued operations	-	-	-
XII	Profit/ (Loss) from Discontinued Operations (after tax) (X-XI)	-	-	-
XIII	<b>Profit/ (Loss) for the period (IX + XII)</b>	<b>(2,002.84)</b>	<b>(1,802.43)</b>	<b>(3,390.20)</b>
XIV	Other Comprehensive Income	-	-	(7.39)
XV	<b>Total Comprehensive Income for the period (XIII + XIV)</b>	<b>(2,002.84)</b>	<b>(1,802.43)</b>	<b>(3,397.58)</b>
XVI	Earnings per equity Share of Rs.10 each for continuing operations: (not annualised)			
	(1) Basic	(31.79)	(28.61)	(53.81)
	(2) Diluted	(31.79)	(28.61)	(53.81)
XVII	Earnings per equity Share of Rs.10 each for discontinued operations:(not annualised)			
	(1) Basic	-	-	-
	(2) Diluted	-	-	-
XVIII	Earnings per equity Share of Rs.10 each for discontinued & continuing operations: (not annualised)			
	(1) Basic	(31.79)	(28.61)	(53.81)
	(2) Diluted	(31.79)	(28.61)	(53.81)
XIX	Paid-up equity share capital (Face value of Rs.10/-each)	630.00	630.00	630.00
XX	Paid up Debt Capital	2,980.00	2,980.00	2,980.00
XXI	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	(10,364.94)
XXII	Debenture Redemption Reserve	45.27	45.27	45.27
XXIII	Debt Equity Ratio	(1.18)	(1.58)	(1.35)
XXIV	Debt Service Coverage Ratio (DSCR)	(0.84)	(1.01)	<del>(0.88)</del>
XXV	Interest Service Coverage Ratio (ISCR)	(1.09)	(1.19)	(0.99)

**Notes:**

- The above results have been reviewed and recommended for adoption by the Audit Committee in their meeting held on 14.11.2019 and approved by the Board of Directors of the Company at their meeting held on the same date.
- Paidup Debt Capital excludes NCDs issued to the tune of Rs.4533.97 Crores for which the liability to pay Interest & Principal is on Government.
- Debt Equity Ratio= (Long Term Borrowings + Short Term Loans + Current Maturity of Long Term Borrowings)/(Share Capital + Other Equity)
- Debt Service Coverage Ratio (DSCR)= Earnings before Finance Cost and Tax (after exceptional items)/ (Finance Expense + Schedule Principal Repayment during the period)
- Interest Service Coverage Ratio (ISCR)= Earnings before Finance Cost and Tax (after exceptional items)/ Finance Expense

For and on behalf of the Board


Chairman & Managing Director  
DIN No. 06628803Place : New Delhi  
Date : 14.11.2019

**MAHANAGAR TELEPHONE NIGAM LIMITED**

Annexure IV

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

**STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Crore)

Particulars	STANDALONE	
	As at 30.09.2019	As at 31.03.2019
	UNAUDITED	AUDITED
<b>ASSETS</b>		
(1) <b>Non-current assets</b>		
(a) Property, Plant and Equipment	4,225.19	4,233.78
(b) Capital work-in-progress	319.41	320.04
(c) Investment Property	25.68	25.74
(d) Intangible assets	2,933.73	3,101.90
(e) Financial Assets		
(i) Investments	106.13	106.13
(ii) Loans	287.42	192.02
(iii) Others	11.60	1.74
(f) Non Current Tax Asset	705.58	723.71
(g) Other Non-Current Assets	20.99	230.31
<b>Total non-current assets</b>	<b>8,635.73</b>	<b>8,935.37</b>
(2) <b>Current assets</b>		
(b) Financial Assets		
(i) Trade Receivables	573.74	603.85
(ii) Cash and cash equivalents	47.05	74.85
(iii) Bank Balances other than (ii) above	12.38	20.42
(iv) Loans	3,352.84	3,390.42
(v) Other Financial Assets	872.82	899.90
(c) Other current assets	663.21	692.31
<b>Total Current assets</b>	<b>5,541.58</b>	<b>5,705.93</b>
(3) <b>Asset held for sale</b>	36.15	36.14
<b>Total Assets(1+2+3)</b>	<b>14,213.46</b>	<b>14,677.44</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	630.00	630.00
(b) Other Equity	(12,406.85)	(10,364.94)
<b>Total Equity</b>	<b>(11,776.85)</b>	<b>(9,734.94)</b>
<b>LIABILITIES</b>		
(1) <b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	12,014.28	11,472.16
(ii) Other Financial Liabilities	464.19	323.81
(b) Long Term Provisions	919.05	911.72
(c) Other Non Current liabilities	131.79	146.10
<b>Total Non-Current Liabilities</b>	<b>13,529.31</b>	<b>12,853.78</b>
(2) <b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	7,671.51	7,620.35
(ii) Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises	21.72	5.35
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	715.57	524.38
(iii) Other Financial Liabilities	2,846.09	2,260.74
(b) Other current liabilities	766.96	764.02
(c) Short Term Provisions	439.15	383.75
<b>Total Current Liabilities</b>	<b>12,461.00</b>	<b>11,558.60</b>
<b>Total Equity and Liabilities</b>	<b>14,213.46</b>	<b>14,677.44</b>

Place : New Delhi  
Date : 14.11.2019



For and on behalf of the Board

*(Signature)*  
Chairman & Managing Director  
DIN No. 06628803

**MAHANAGAR TELEPHONE NIGAM LIMITED**  
**Unaudited Standalone Cash Flow Statement for the half year ended 30th September,2019**

		(Rs. in crores)	
		Half Year ended	
		30th Sept. 2019	30th Sept. 2018
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(Loss) before tax		
	Continuing operations	(2002.84)	(1802.43)
	Discontinued operations	-	-
		<b>(2002.84)</b>	<b>(1802.43)</b>
	<b>Adjustments for:</b>		
	Depreciation expense	326.68	328.52
	Amortisation expense	168.10	168.77
	Loss on disposal of property, plant and equipment (net)	0.32	0.08
	Dividend Income	(1.22)	(0.51)
	Interest income	(40.83)	(40.56)
	Excess provisions written back	(117.73)	(45.36)
	Provision for doubtful debts including discount	42.82	13.82
	Provision for obsolete inventory	2.33	0.08
	Provision for doubtful claims	0.34	0.83
	Loss of assets	0.09	(0.02)
	Finance costs	958.24	821.83
	Bad debts recovered	(0.03)	(0.07)
	Bad debts written off	6.71	3.22
	<b>Operating profit before working capital changes</b>	<b>(657.00)</b>	<b>(551.81)</b>
	<b>Movement in working capital</b>		
	Decrease/(Increase) in loans	(33.59)	(95.29)
	(Increase)/Decrease in inventories	2.21	0.97
	Increase in other financial assets	27.08	(34.90)
	Increase in other assets	238.42	117.88
	Decrease/(Increase) in trade and other receivables	(19.40)	(150.32)
	Increase/(Decrease) in other financial liabilities	414.12	(973.00)
	(Decrease)/Increase in other liabilities	(11.38)	135.11
	Increase in provisions, trade and other payables	384.39	(46.27)
	<b>Cash flow from operating activities post working capital changes</b>	<b>344.85</b>	<b>(1597.63)</b>
	Income tax (paid)/refunds (net)	18.14	(13.88)
	<b>Net cash flow from operating activities (A)</b>	<b>362.99</b>	<b>(1611.52)</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipment, Investment property and Intangible assets (including capital work-in-progress) (net of sale proceeds)	(47.37)	(173.73)
	Movement in fixed deposits (net)	(1.82)	8.48
	Dividend received	1.22	0.51
	Interest received	16.26	3.13
	<b>Net cash flows used in investing activities (B)</b>	<b>(31.71)</b>	<b>(161.61)</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Proceeds and repayment from long-term borrowings (net)	533.98	1447.70
	Proceeds and repayment of short-term borrowings (net)	51.16	1064.35
	Finance cost paid	(900.33)	(739.71)
	Payment towards Lease Liability	(43.90)	-
	<b>Net cash used in financing activities (C)</b>	<b>(359.08)</b>	<b>1772.35</b>
	Increase in cash and cash equivalents (A+B+C)	(27.80)	(0.78)
	Cash and cash equivalents at the beginning of the year	74.85	54.37
	<b>Cash and cash equivalents at the end of the year</b>	<b>47.05</b>	<b>53.59</b>

For and on behalf of the Board

(S. M. Kumar)

Chairman & Managing Director

DIN No. 06628803

Place : New Delhi

Date : 14.11.2019



## 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

CIN No: L32101DL1986GOI023501

## STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2019

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED					
		Three Month Ended			Six Month Ended		Year Ended
		3 months ended 30/09/2019	Preceding 3 months ended 30/06/2019	Corresponding 3 months ended 30/09/2018 in the previous year	Year to date figures for Current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	
1	2	3	4	5	6	7	8
I	Revenue from operations	388.53	433.85	466.46	822.37	978.96	2,085.41
II	Other Income	238.60	111.93	178.04	350.53	310.41	636.09
III	<b>Total Income (I +II)</b>	<b>627.13</b>	<b>545.77</b>	<b>644.50</b>	<b>1,172.90</b>	<b>1,289.37</b>	<b>2,721.50</b>
IV	Expenses						
	Purchases of Stock in Trade	0.84	0.55	0.47	1.38	0.70	1.96
	License Fees & Spectrum Charges	38.89	39.43	42.09	78.31	88.84	187.91
	Employees' Remuneration and benefits	602.25	636.72	573.66	1,238.98	1,209.43	2,275.34
	Finance cost	483.55	474.69	422.72	958.24	821.83	1,703.18
	Revenue Sharing	28.82	34.49	46.39	63.31	86.68	181.09
	Depreciation and amortization expense	247.84	253.78	250.52	501.62	506.66	1,002.42
	Administrative Expenses	175.33	160.42	167.42	335.76	377.48	756.16
	<b>Total Expenses (IV)</b>	<b>1,577.52</b>	<b>1,600.09</b>	<b>1,503.27</b>	<b>3,177.60</b>	<b>3,091.63</b>	<b>6,108.05</b>
V	<b>Profits/(Loss) before exceptional items and tax(III-IV)</b>	<b>(950.39)</b>	<b>(1,054.31)</b>	<b>(858.77)</b>	<b>(2,004.70)</b>	<b>(1,802.26)</b>	<b>(3,386.55)</b>
VI	Share of Profit/(loss) in investments accounted for using equity method	0.22	(0.29)	(0.46)	(0.07)	(0.85)	(0.64)
VII	Exceptional items	-	-	-	-	-	-
VIII	<b>Profit/ (Loss) before tax (V- VI-VII)</b>	<b>(950.17)</b>	<b>(1,054.60)</b>	<b>(859.23)</b>	<b>(2,004.77)</b>	<b>(1,803.11)</b>	<b>(3,387.20)</b>
IX	Tax expense:						
	(1) Current tax	-	-	-	-	-	0.24
	(2) Deferred tax	-	-	-	-	-	0.64
X	<b>Profit/ (Loss) for the period from continuing operations (VIII - IX)</b>	<b>(950.17)</b>	<b>(1,054.60)</b>	<b>(859.23)</b>	<b>(2,004.77)</b>	<b>(1,803.11)</b>	<b>(3,388.07)</b>
XI	Profit/ (Loss) from discontinued operations	-	-	-	-	-	-
XII	Tax expense of discontinued operations	-	-	-	-	-	-
XIII	<b>Profit/ (Loss) from Discontinued Operations (after tax) (XI-XII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XIV	<b>Profit/ (Loss) for the period (X + XIII)</b>	<b>(950.17)</b>	<b>(1,054.60)</b>	<b>(859.23)</b>	<b>(2,004.77)</b>	<b>(1,803.11)</b>	<b>(3,388.07)</b>
XV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	-	-	-	-	-	(7.39)
	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	0.01	(1.73)	10.33	(1.73)	9.97	(0.36)
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Other Comprehensive Income for the year</b>	<b>0.01</b>	<b>(1.73)</b>	<b>10.33</b>	<b>(1.73)</b>	<b>9.97</b>	<b>(7.75)</b>
XVI	<b>Total Comprehensive Income for the period (XIV+XV)</b>	<b>(950.16)</b>	<b>(1,056.34)</b>	<b>(848.90)</b>	<b>(2,006.50)</b>	<b>(1,793.14)</b>	<b>(3,395.82)</b>
XVII	<b>Paid up Equity Share Capital</b>						<b>630.00</b>
XVIII	<b>Other Equity excluding revaluation reserves</b>						<b>(10,357.83)</b>
XIX	<b>Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised)</b>						
	(1) Basic	(15.08)	(16.74)	(13.64)	(31.82)	(28.62)	(53.78)
	(2) Diluted	(15.08)	(16.74)	(13.64)	(31.82)	(28.62)	(53.78)
XX	<b>Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised)</b>						
	(1) Basic	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-
XXI	<b>Earnings per equity Share of Rs.10 each (for discontinued &amp; continuing operations): (not annualised)</b>						
	(1) Basic	(15.08)	(16.74)	(13.64)	(31.82)	(28.62)	(53.78)
	(2) Diluted	(15.08)	(16.74)	(13.64)	(31.82)	(28.62)	(53.78)

See accompanying notes to the financial results:





**Notes:**

- 1 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.
- 2 The above results have been reviewed and recommended for adoption by the Audit Committee in their meeting held on 14.11.2019 and approved by the Board of Directors of the Company at their meeting held on the same date.
- 3 Other Income includes Rs. 100 Crores on account of excess provision written back against investment in ITI Limited and Rs. 14.64 crores pertaining to interest on Income Tax refund.
- 4 The Auditors of the Company have carried out 'Limited Review' of the above financial results for the quarter ended 30th September, 2019. The figures for net cash outflows for the half year ended 30th September, 2018 and comparative figures for the quarter and half year ended 30 September, 2018 as reported in the statement have been approved by the Parent's Board of directors and have not been subjected to limited review. However, the management exercised necessary due diligence in preparing these results.
- 5 Effective April 1, 2019, the group has adopted Ind AS 116 'Leases' using retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this method, the group recognizes a lease liability at the present value of all the remaining lease payments on April 1, 2019, and a right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the commencement of the lease. Further, as required under the modified retrospective method, the previous period information is not restated and so not comparable. The adoption of the standard did not have any material impact on the financial results of the group.

Place : New Delhi  
Date : 14.11.2019

For and on behalf of the Board



(Sunil Kumar)  
Chairman & Managing Director  
DIN No. 06628803



## MAHANAGAR TELEPHONE NIGAM LIMITED

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

CIN No: L32101DL1986GOI023501

## CONSOLIDATED UNAUDITED SEGMENT WISE REVENUE, RESULTS AND ASSETS &amp; LIABILITIES FOR THE QUARTER AND SIX MONTH ENDED ON 30/09/2019

(Rs. in Crore)

		CONSOLIDATED					
		Three Month Ended			Six Month Ended		Year Ended
Sl. No.	Particulars	3 months ended 30/09/2019	Preceding 3 months ended 30/06/2019	Corresponding 3 months ended 30/09/2018 in the previous year	Year to date figures for Current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	<b>Revenue from Operations</b>						
	Basic & other Services	331.09	371.88	388.09	702.97	818.89	1,714.97
	Cellular	57.81	61.33	79.36	119.13	162.13	367.27
	Unallocable	0.14	1.30	0.07	1.43	0.09	7.34
	<b>Total</b>	<b>389.04</b>	<b>434.51</b>	<b>467.51</b>	<b>823.53</b>	<b>981.10</b>	<b>2,089.58</b>
	Less: Inter Segment Revenue	0.50	0.66	1.06	1.17	2.15	4.18
	<b>Net Revenue from Operations</b>	<b>388.53</b>	<b>433.85</b>	<b>466.46</b>	<b>822.37</b>	<b>978.96</b>	<b>2,085.41</b>
2.	<b>Segment Result before interest income, exceptional items, finance cost and tax</b>						
	Basic & other Services	(405.41)	(383.70)	(289.33)	(789.11)	(662.16)	(1,168.98)
	Cellular	(188.15)	(185.65)	(157.11)	(373.80)	(334.54)	(645.34)
	Unallocable	97.94	(22.82)	(11.61)	75.12	(24.64)	35.22
	<b>Total</b>	<b>(495.62)</b>	<b>(592.17)</b>	<b>(458.05)</b>	<b>(1,087.79)</b>	<b>(1,021.34)</b>	<b>(1,779.09)</b>
	Add: Exceptional items	-	-	-	-	-	-
	Add: Interest Income	28.78	12.55	22.00	41.33	40.91	95.72
	Less: Finance cost	483.55	474.69	422.72	958.24	821.83	1,703.18
	Add: Share of profit or loss from Associates/ JV	0.22	(0.29)	(0.46)	(0.07)	(0.85)	(0.64)
	<b>Profit/ (Loss) before tax</b>	<b>(950.17)</b>	<b>(1054.60)</b>	<b>(859.23)</b>	<b>(2004.77)</b>	<b>(1803.11)</b>	<b>(3387.20)</b>
	Less: Provision for Current Tax & Deferred tax	-	-	-	-	-	0.88
	<b>Profit/ (Loss) after tax</b>	<b>(950.17)</b>	<b>(1,054.60)</b>	<b>(859.23)</b>	<b>(2,004.77)</b>	<b>(1,803.11)</b>	<b>(3,388.07)</b>
3.	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>						
	<b>Segment Asset</b>						
	Basic & other Services	7,335.62	7,539.92	8,978.47	7,335.62	8,978.47	7,675.46
	Cellular	5,148.76	5,240.68	5,270.36	5,148.76	5,270.36	5,107.65
	Unallocable/Eliminations	1,751.61	1,814.85	1,897.33	1,751.61	1,897.33	1,921.38
	<b>Total Segment Assets</b>	<b>14,236.00</b>	<b>14,595.45</b>	<b>16,146.16</b>	<b>14,236.00</b>	<b>16,146.16</b>	<b>14,704.51</b>
	<b>Segment Liabilities</b>						
	Basic & other Services	4,534.94	4,340.44	4,959.63	4,534.94	4,959.63	4,253.58
	Cellular	22,040.71	21,962.98	15,517.97	22,040.71	15,517.97	21,160.38
	Unallocable/Eliminations	(566.25)	(885.29)	3,793.50	(566.25)	3,793.50	(981.64)
	<b>Total Segment Liabilities</b>	<b>26,009.40</b>	<b>25,418.13</b>	<b>24,271.11</b>	<b>26,009.40</b>	<b>24,271.11</b>	<b>24,432.34</b>

For and on behalf of the Board



(Sunil Kumar)

Chairman &amp; Managing Director

DIN No. 06628803

Place : New Delhi

Date : 14.11.2019



**MAHANAGAR TELEPHONE NIGAM LIMITED**


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CIN No: L32101DL1986GOI023501

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Crore)

Particulars	CONSOLIDATED	
	As at 30.09.2019	As at 31.03.2019
	Unaudited	Audited
<b>ASSETS</b>		
(1) <b>Non-current assets</b>		
(a) Property, Plant and Equipment	4,320.45	4,329.56
(b) Capital work-in-progress	319.41	320.04
(c) Investment Property	34.53	34.96
(d) Intangible assets	2,933.73	3,101.90
(e) Investments accounted for using the equity method	3.66	3.73
(f) Financial Assets		
(i) Investments	-	-
(ii) Loans	287.75	192.34
(iii) Others	11.60	1.74
(g) Deferred tax assets (net)	0.00	0.00
(h) Non Current Tax Asset	705.58	724.43
(i) Other Non-Current Assets	21.91	230.31
<b>Total non-current assets</b>	<b>8,638.62</b>	<b>8,939.00</b>
(2) <b>Current assets</b>		
(a) Inventories	21.10	24.98
(b) Financial Assets		
(i) Trade Receivables	582.57	611.48
(ii) Cash and cash equivalents	85.74	119.58
(iii) Bank Balances other than (ii) above	12.38	20.42
(iv) Loans	3,352.51	3,390.02
(v) Other Financial Assets	872.82	900.04
(c) Current tax assets (Net)	0.44	0.33
(d) Other current assets	669.52	698.37
<b>Total Current assets</b>	<b>5,597.08</b>	<b>5,765.21</b>
(3) <b>Asset held for sale</b>	0.30	0.29
<b>Total Assets(1+2+3)</b>	<b>14,236.00</b>	<b>14,704.51</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	630.00	630.00
(b) Other Equity	(12,403.41)	(10,357.83)
<b>Total Equity</b>	<b>(11,773.41)</b>	<b>(9,727.83)</b>
<b>LIABILITIES</b>		
(1) <b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	12,014.28	11,472.16
(ii) Other Financial Liabilities	464.19	323.81
(b) Long Term Provisions	919.05	911.72
(c) Deferred tax liabilities (Net)	6.26	6.34
(d) Other Non Current Liabilities	132.01	146.32
<b>Total Non-Current Liabilities</b>	<b>13,535.79</b>	<b>12,860.34</b>
(2) <b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	7,671.51	7,620.35
(ii) Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises	21.72	5.35
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	719.65	528.09
(iii) Other Financial Liabilities	2,853.06	2,268.14
(b) Other current liabilities	767.78	765.51
(c) Short Term Provisions	439.89	384.55
<b>Total Current Liabilities</b>	<b>12,473.62</b>	<b>11,572.01</b>
<b>Total Equity and Liabilities</b>	<b>14,236.00</b>	<b>14,704.51</b>
For and on behalf of the Board		
 Chairman & Managing Director DIN No. 06628803		
Place : New Delhi		
Date : 14.11.2019		



**MAHANAGAR TELEPHONE NIGAM LIMITED**  
Unaudited Consolidated Cash Flow Statement for the Half Year ended 30th September, 2019

		(Rs. in crores)	
		Half Year ended	
		30th Sept. 2019	30th Sept. 2018
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit/(Loss) before tax</b>		
	Continuing operations	(2,004.77)	(1,803.11)
	Discontinued operations	-	-
		<b>(2,004.77)</b>	<b>(1,803.11)</b>
	<b>Adjustments for:</b>		
	Depreciation expense	333.52	337.89
	Amortisation expense	168.10	168.77
	Loss on disposal of property, plant and equipment (net)	0.27	15.17
	Share of (profit)/loss from associates and joint ventures	0.07	0.85
	Interest income	(41.33)	(40.91)
	Excess provisions written back	(117.96)	(62.49)
	Loss of assets	0.09	(0.02)
	Provision for doubtful debts including discount	42.82	13.82
	Provision for obsolete inventory	2.33	0.08
	Provision for doubtful claims	0.43	0.92
	Finance costs	958.24	821.83
	Bad debts recovered	(0.03)	(0.07)
	Bad debts written off	6.71	3.22
	<b>Operating profit before working capital changes</b>	<b>(651.49)</b>	<b>(544.04)</b>
	<b>Movement in working capital</b>		
	Decrease/(Increase) in loans	(33.68)	(94.52)
	(Increase)/Decrease in inventories	1.44	1.32
	Increase in other financial assets	27.17	(34.32)
	Decrease in other assets	236.83	112.03
	Decrease/(Increase) in trade and other receivables	(20.56)	(154.21)
	Increase/(Decrease) in other financial liabilities	412.98	(965.05)
	(Decrease)/Increase in other liabilities	(12.02)	129.08
	Increase in provisions, trade and other payables	384.24	(39.65)
	<b>Cash flow from operating activities post working capital changes</b>	<b>344.91</b>	<b>(1,589.39)</b>
	Income tax refunds (net)	18.66	(13.61)
	<b>Net cash flow from operating activities (A)</b>	<b>363.57</b>	<b>(1,603.00)</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, plant and equipment, investment property and intangible assets (including capital work-in-progress) (net of sale proceeds)	(53.26)	(189.23)
	Movement in fixed deposits (net)	(1.82)	8.48
	Interest received	16.76	3.47
	<b>Net cash flows used in investing activities (B)</b>	<b>(38.33)</b>	<b>(177.28)</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Proceeds and repayment of long-term borrowings (net)	533.98	1,447.70
	Proceeds and repayment of short-term borrowings (net)	51.16	1,064.35
	Finance cost paid	(900.33)	(739.71)
	Payment towards Lease Liability	(43.90)	-
	<b>Net cash used in financing activities (C)</b>	<b>(359.08)</b>	<b>1,772.35</b>
	Increase in cash and cash equivalents (A+B+C)	(33.84)	(7.93)
	Cash and cash equivalents at the beginning of the year	119.58	105.33
	<b>Cash and cash equivalents at the end of the year</b>	<b>85.74</b>	<b>97.40</b>

For and on behalf of the Board

(Suhil Kumar)

Chairman & Managing Director

DIN No. 06628803

Place : New Delhi

Date : 14.11.2019



MAHANAGAR TELEPHONE NIGAM LIMITED

( A Govt. of India Enterprise)

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CIN No: L32101DL1986GOI023501

EXTRACT OF STANDALONE & CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2019

(Rs. in Crore)

Particulars	STANDALONE				CONSOLIDATED			
	Three Month Ended		Six Month Ended	Year Ended	Three Month Ended		Six Month Ended	Year Ended
	3 months ended 30/09/2019	Corresponding 3 months ended 30/09/2018 in the previous year	Year to date figures for Current period ended 30/09/2019	Previous year ended 31/03/2019	3 months ended 30/09/2019	Corresponding 3 months ended 30/09/2018 in the previous year	Year to date figures for Current period ended 30/09/2019	Previous year ended 31/03/2019
	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1 Total Income from Operations	369.32	444.12	781.67	1,987.80	388.53	466.46	822.37	2,085.41
2 Net Profit/ (Loss) for the period before exceptional items & tax	(949.80)	(859.05)	(2,002.84)	(3,390.20)	(950.17)	(859.23)	(2,004.77)	(3,387.20)
3 Net Profit/ (Loss) for the period before Tax(after Exceptional items)	(949.80)	(859.05)	(2,002.84)	(3,390.20)	(950.17)	(859.23)	(2,004.77)	(3,387.20)
4 Net Profit/ (Loss) for the period after Tax	(949.80)	(859.05)	(2,002.84)	(3,390.20)	(950.17)	(859.23)	(2,004.77)	(3,388.07)
5 Total Comprehensive Income for the period (Comprising net profit/(loss) after tax and other comprehensive income after tax)	(949.80)	(859.05)	(2,002.84)	(3,397.58)	(950.16)	(848.90)	(2,006.50)	(3,395.82)
6 Paid up Equity Share Capital			630.00	630.00			630.00	630.00
7 Other Equity excluding revaluation reserves			(12,406.85)	(10,364.94)			(12,403.41)	(10,357.83)
8 Net Worth			(11,776.85)	(9,734.94)			(11,773.41)	(9,727.83)
9 Paid up Debt Capital/ Outstanding Debt			2,980.00	2,980.00			2,980.00	2,980.00
10 Debt Equity Ratio			(1.18)	(1.35)			(1.19)	(1.35)
11 Earnings Per Share (of Rs.10 each) for continuing and discontinued operations- (not annualised)								
1. Basic :	(15.08)	(13.64)	(31.79)	(53.81)	(15.08)	(13.64)	(31.82)	(53.78)
2. Diluted :	(15.08)	(13.64)	(31.79)	(53.81)	(15.08)	(13.64)	(31.82)	(53.78)
12 Capital Redemption Reserve			-	-			-	-
13 Debenture Redemption Reserve			45.27	45.27			45.27	45.27
14 Debt Service Coverage Ratio (DSCR)			(0.84)	(0.88)			(0.84)	(0.88)
15 Interest Service Coverage Ratio (ISCR)			(1.09)	(0.99)			(1.09)	(0.99)

Note:

- The above is an extract of the detailed format of Financial Results for the Quarter and Half year ended September 30, 2019 filed with the Stock Exchanges under Regulation 33 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 and recommended for adoption by the Audit Committee in their meeting held on 14.11.2019 and approved by the Board of Directors of the Company at their meeting held on the same date.
- The auditors of the company have carried out Limited Review of the above financial results for the quarter ended 30.09.2019.
- 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: 14.11.2019



For and on behalf of the Board  
  
 Chairman & Managing Director  
 DIN No. 06628803

VINOD KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
4696, Brij Bhawan,  
21A, Ansari Road, Darya Ganj  
New Delhi – 110002  
Phone : 011-23288101

KUMAR VIJAY GUPTA & CO.  
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Phone : 011-23314525, 41571108

Independent Auditor's Review Report on Standalone Unaudited Quarterly and Six Months Ended September 30, 2019 Financial Results 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 six months ended 30<sup>th</sup> September 2019, 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. Attention is drawn to the fact that the figures for the net cash outflows for the period ended September 30, 2018 as reported in these unaudited standalone financial results have been approved by the Board of Director of the company but have not been subjected to review.

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 statements 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 statements 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

- (i) 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) 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, in the year when the ultimate collection / payment of the same becomes reasonably certain.
- (iii) Amount receivable from BSNL & Other Operators have been reflected as loans and other financial assets instead of bifurcating the same into trade receivables and other financial assets.
- (iv) The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) of Combined Service Optee 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 in going on between the Company and DOT are continued to be shown as recoverable from DOT and payable to GPF in the unaudited standalone financial results of the company.

- (v) 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.
- (vi) 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.
- (vii) 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 of the Company.
- (viii) Income arising on account of Revenue Sharing with BSNL in respect of lease circuits provided has not been recognized in terms of Memorandum of Understanding (MOU) between BSNL and MTNL. As per MOU, revenue and expenditure will be based on the price offered to the customers after applying the discount, if any at the time of acquiring the business. However, Revenue has been recognized on the basis of available information which is either based on the Company Card Rates or Old rates of BSNL. In Some Cases, BSNL has given the information in respect of updated rated but the same has not been considered at the time of booking of revenue sharing with BSNL. In the absence of relevant updated records, we are not in a position to comment on the impact thereof on the unaudited standalone financial results.
- (ix) 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.





Our conclusion is not modified in respect of aforesaid matters.

**For Vinod Kumar & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 002304N**





**CA Mukesh Dadhich**  
**Partner**

**Membership No.: 511741**  
**UDIN: 19511741AAAAN8451**

Place: New Delhi

Date: 14<sup>th</sup> November 2019

**For Kumar Vijay Gupta & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 007814N**



**CA Alok Jain**  
**Partner**

**Membership No.: 095345**  
**UDIN: 19095345AAAABC3545**

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

1. The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the quarter ended and six months ended September 30, 2019 as well as in the previous year 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 unaudited 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.

**2. 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. 3425.51 Crores out of which Rs. 2,578.30 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 unaudited standalone financial results of the Company for the quarter ended September 30, 2019.

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. 144.66 Crores has not been carried forward and ineligible credits amounting to Rs. 51.65 Crores excessively carried forward to TRANS-1 under GST laws resulting in overstatement of current assets and understatement of loss to that extent.

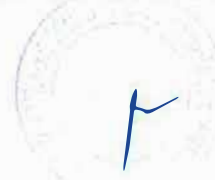
3. The Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 486.57 Crores is subject to reconciliation and confirmation. In view of non reconciliation and non confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the unaudited standalone financial results of the Company.

4. 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.

5. 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 unaudited standalone financial results is not ascertained and quantified.
6. 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 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 on September 30, 2019, accumulated balance of reserve and surplus and also the carrying value of the cash generating units.
7. 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 unaudited standalone financial results are not ascertainable and quantifiable.
8. Unlinked credit of 42.87 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.
9. 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 unaudited standalone financial results by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.
10. Certain Land and Buildings transferred to MTNL from DOT in earlier years have been reflected as leasehold. In the absence of relevant records, we are not in a position to



comment on the classification, capitalization and amortization of the same as leasehold and also the consequential impacts, if any, of such classification, capitalization and amortization not backed by relevant records. In the absence of relevant records, impact of such classification on the unaudited standalone financial results cannot be ascertained and quantified.

11. 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 has been revised by Rs. 107.44 Crores 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 the Company 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.

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 unaudited standalone financial results of the Company.

The above observations/conclusions referred to in Para no. 1 to 11 were subject matter of qualification in the Auditor's Report for the year ended on 31<sup>st</sup> March 2019.

The overall impact of matters referred to in above paras except para no. 1, 2(a), 3, 4, 5, 6, 7, 9, 10 and 11 on the attached unaudited standalone financial results of the Company is not determinable.

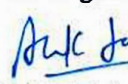
**For Vinod Kumar & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 002304N**

  
**CA Mukesh Dadhich**  
**Partner**  
**Membership No.: 511741**  
**UDIN: 19511741AAAAFN8451**

Place: New Delhi

Date: 14<sup>th</sup> November 2019

**For Kumar Vijay Gupta & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 007814N**

  
**CA Alok Jain**  
**Partner**  
**Membership No.: 095345**  
**UDIN: 19095345AAAABC3545**

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**Independent Auditor's Review Report on the Quarterly and Six Months Ended September 30, 2019 Unaudited Consolidated Financial Results of the Company 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 Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "The Group"), and its share of the net profit after tax and total comprehensive income of its a joint venture for the quarter and six months ended September 30, 2019 ("The Statement") attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the figures for the net cash outflows for the period ended September 30, 2018 as reported in these unaudited consolidated financial results have been approved by the Board of Director of the parent company but have not been subjected to review.

This Statement, which is the responsibility of the Parent's Management and approved by the Parent'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
- MTML International Limited (subsidiary of MTML)
- MTML Data Limited (subsidiary of MTML)

(b) **List of Joint Ventures:**

- MTNL STPI IT Services Limited ('MSISL')

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 parent 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**

- (i) With reference to pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Parent 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 Parent Company.



- (ii) 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, in the year when the ultimate collection / payment of the same becomes reasonably certain.
- (iii) Amount receivable from BSNL & Other Operators have been reflected as loans and other financial assets instead of bifurcating the same into trade receivables and other financial assets.
- (iv) The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) of Combined Service Optee 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 in going on between the Company and DOT are continued to be shown as recoverable from DOT and payable to GPF in the unaudited consolidated financial results.
- (v) 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 Parent Company and DOT.
- (vi) The License agreement between the Parent 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.
- (vii) In certain cases of freehold and leasehold land, the Parent Company is having title deeds which are in the name of the Parent Company but the value of which are not lying in books of accounts of the Parent Company.
- (viii) Income arising on account of Revenue Sharing with BSNL in respect of lease circuits provided has not been recognized in terms of Memorandum of Understanding (MOU) between BSNL and MTNL. As per MOU, revenue and expenditure will be based on the price offered to the customers after applying the discount, if any at the time of acquiring the business. However, Revenue has been recognized on the basis of available information which is either based on the Parent Company Card Rates or Old rates of BSNL. In Some Cases, BSNL has given the information in respect of updated rated but the same has not been considered at the time of booking of revenue sharing with BSNL. In the absence of relevant updated records, we are not in a position to comment on the impact thereof on the unaudited consolidated financial results.



- (ix) 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 and ECL as per Ind AS.

Our conclusion is not modified in respect of aforesaid matters.

7. The Statement includes interim financial results and other financial information of 2 subsidiaries whose interim financial results and other financial information reflect total assets of Rs. 161.35 crore as at September 30, 2019, total revenues of Rs. 19.73 crore and Rs. 42.04 crore, and total comprehensive income of Rs. 0.63 crore and Rs. (0.64) crore, for the quarter ended and six months ended September 30, 2019, respectively, and net cash outflows of Rs. 6.04 crore for the six months ended and the interim financial results and other financial information of 1 joint venture which reflects Group's share of total comprehensive income of Rs. 0.78 crore and Rs. 0.63 crore, for the quarter ended and six months ended September 30, 2019, 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. Our conclusion on the Statement is not modified in respect of this matter.

**For Vinod Kumar & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 002304N**



**CA Mukesh Dadhich**  
**Partner**  
**Membership No.: 511741**  
**UDIN: 19511741AAAAFO9129**

**For Kumar Vijay Gupta & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 007814N**



**CA Alok Jain**  
**Partner**  
**Membership No.: 095345**  
**UDIN: 19095345AAAABD3297**

Place: New Delhi

Date: 14<sup>th</sup> November 2019



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

1. The Net Worth of the Parent Company has been fully eroded; The Parent Company has incurred net cash loss during the quarter ended and six months ended September 30, 2019 as well as in the previous year 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 Parent 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 unaudited financial results 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.

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

- a) The Parent Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3425.51 Crores out of which Rs. 2,578.31 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 unaudited financial results for the quarter and six months ended September 30, 2019.
- b) The Parent 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. 144.66 Crores has not been carried forward and ineligible credits amounting to Rs. 51.65 Crores excessively carried forward to TRANS-1 under GST laws resulting in overstatement of current assets and understatement of loss to that extent.



3. The Parent Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 486.57 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 unaudited financial results.
4. 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 Parent 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.
5. The Parent 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 unaudited financial results is not ascertained and quantified.
6. 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 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 on September 30, 2019, accumulated balance of reserve and surplus and also the carrying value of the cash generating units.
7. The Parent 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 unaudited financial results are not ascertainable and quantifiable.



8. Unlinked credit of Rs. 42.87 Crores on account of receipts from subscribers against billing by the Parent 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.
9. 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 unaudited financial results by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.
10. Certain Land and Buildings transferred to MTNL from DOT in earlier years have been reflected as leasehold. In the absence of relevant records, we are not in a position to comment on the classification, capitalization and amortization of the same as leasehold and also the consequential impacts, if any, of such classification, capitalization and amortization not backed by relevant records. In the absence of relevant records, impact of such classification on the consolidated unaudited financial results cannot be ascertained and quantified.
11. 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 Parent 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 has been revised by Rs. 107.44 Crores 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 the Company 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.

In view of the above we are not in a position to comment on the correctness of the stand taken by the Parent Company and the ultimate implications of the same on the consolidated unaudited financial results for the quarter ended and six months September 30, 2019.

The above observations/conclusions referred to in Para no. 1 to 11 were subject matter of qualification in the Auditor's Report for the year ended on 31<sup>st</sup> March 2019.



The overall impact of matters referred to in above paras except para no. 1, 2(a), 3, 4, 5, 6, 7, 9, 10 and 11 on the attached consolidated unaudited financial results is not determinable.

**For Vinod Kumar & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 002304N**

  
**CA Mukesh Dadhich**  
**Partner**

**Membership No.: 511741**  
**UDIN: 19511741AAAAFO9129**

Place: New Delhi

Date: 14<sup>th</sup> November 2019

**For Kumar Vijay Gupta & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 007814N**

  
**CA Alok Jain**  
**Partner**

**Membership No.: 095345**  
**UDIN: 19095345AAAAABD3297**