



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

**MTNL/SECTT/SE/2024**  
**August 14, 2024**

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 ON 30<sup>TH</sup> JUNE, 2024**

Dear Sir,

Further to our letter of even no.dtd. **03.07.2024 & 08.07.2024**, we are forwarding herewith the Unaudited Reviewed Financial Results prepared as per Ind AS along with the Limited Review Report submitted by the Statutory Auditors of the Company for the Quarter ended 30<sup>th</sup> June, 2024 duly approved by the Board of Directors in its Meeting held in New Delhi today i.e. **14<sup>th</sup> August, 2024**.

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

The results are also being published in newspapers as per the requirement of Regulation 47 of SEBI (LODR) Regulations, 2015.

The Board meeting started at 01:30 PM and concluded at **2.40 PM**.

Thanking you,  
Yours faithfully,

*Sumit*  
*14.08.2024*  
(RATAN MANI SUMIT)  
COMPANY SECRETARY

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

Regd. Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003  
Website: www.mtnl.net.in, Phone Off: 011-24319020, Fax: 011-24324243

CIN: L32101DL1986GOI023501

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30/06/2024**

(Rs. in Crore)

| Sl. No. | Particulars  | STANDALONE                |                                      |  |                                |
|---------|--|---------------------------|--------------------------------------|--|--------------------------------|
|         |  | Three Months Ended        |                                      |  | Year Ended                     |
|         |  | 3 months ended 30/06/2024 | Preceeding 3 months ended 31/03/2024 | Corresponding 3 months ended 30/06/2023 in the previous year | Previous year ended 31/03/2024 |
|         | UNAUDITED  | AUDITED *                 | UNAUDITED                            | AUDITED  |                                |
| I       | Revenue from operations  | 169.40                    | 192.66                               | 184.57   | 728.47                         |
| II      | Other Income   | 197.92                    | 144.73                               | 112.31   | 573.01                         |
| III     | <b>Total Income (I +II)</b>  | <b>367.32</b>             | <b>337.39</b>                        | <b>296.88</b>  | <b>1,301.48</b>                |
| IV      | <b>Expenses</b>  |                           |                                      |  |                                |
|         | Purchases of stock-in-trade  | -                         | 0.02                                 | 0.03   | 0.04                           |
|         | License Fees & Spectrum Charges  | 14.11                     | 14.22                                | 15.67  | 60.04                          |
|         | Employee benefits expense  | 146.38                    | 120.91                               | 149.49   | 570.06                         |
|         | Finance cost   | 705.16                    | 688.93                               | 645.23   | 2,689.78                       |
|         | Revenue Sharing  | 10.16                     | 24.11                                | 11.33  | 61.33                          |
|         | Depreciation and amortization expense  | 153.90                    | 161.72                               | 163.05   | 655.77                         |
|         | Other Expenses   | 109.43                    | 145.05                               | 162.23   | 566.64                         |
|         | <b>Total Expenses (IV)</b>   | <b>1,139.14</b>           | <b>1,154.97</b>                      | <b>1,147.03</b>  | <b>4,603.67</b>                |
| V       | <b>Profits/(Loss) before exceptional items and tax(III-IV)</b>   | <b>(771.82)</b>           | <b>(817.58)</b>                      | <b>(850.15)</b>  | <b>(3,302.19)</b>              |
| VI      | Exceptional items  | -                         | -                                    | -  | -                              |
| VII     | <b>Profit/ (Loss) before tax (V- VI)</b>   | <b>(771.82)</b>           | <b>(817.58)</b>                      | <b>(850.15)</b>  | <b>(3,302.19)</b>              |
| VIII    | Tax expense:   |                           |                                      |  |                                |
|         | (1) Current tax  | -                         | -                                    | -  | -                              |
|         | (2) Deferred tax   | -                         | -                                    | -  | -                              |
| IX      | <b>Profit/ (Loss) for the period from continuing operations (VII - VIII)</b>   | <b>(771.82)</b>           | <b>(817.58)</b>                      | <b>(850.15)</b>  | <b>(3,302.19)</b>              |
| X       | Profit/ (Loss) from discontinued operations  | -                         | -                                    | -  | -                              |
| XI      | Tax expense of discontinued operations   | -                         | -                                    | -  | -                              |
| XII     | <b>Profit/ (Loss) from Discontinued Operations (after tax) (X-XI)</b>  | <b>-</b>                  | <b>-</b>                             | <b>-</b>   | <b>-</b>                       |
| XIII    | <b>Profit/ (Loss) for the period (IX + XII)</b>  | <b>(771.82)</b>           | <b>(817.58)</b>                      | <b>(850.15)</b>  | <b>(3,302.19)</b>              |
| XIV     | <b>Other Comprehensive Income</b>  |                           |                                      |  |                                |
| A       | i) Items that will not be reclassified to profit and loss  | (3.81)                    | (11.83)                              | (1.12)   | (15.22)                        |
|         | ii) Income tax relating to items that will not be reclassified to profit or loss   | -                         | -                                    | -  | -                              |
| B       | i) Items that will be reclassified to profit or loss   | -                         | -                                    | -  | -                              |
|         | ii) Income tax relating to items that will be reclassified to profit or loss   | -                         | -                                    | -  | -                              |
|         | <b>Other Comprehensive Income for the year</b>   | <b>(3.81)</b>             | <b>(11.83)</b>                       | <b>(1.12)</b>  | <b>(15.22)</b>                 |
| XV      | <b>Total Comprehensive Income for the period (XIII+XIV)</b>  | <b>(775.63)</b>           | <b>(829.41)</b>                      | <b>(851.27)</b>  | <b>(3,317.42)</b>              |
| XVI     | <b>Paid up Equity Share Capital</b>  |                           |                                      |  | 630.00                         |
| XVII    | <b>Other Equity excluding revaluation reserves</b>   |                           |                                      |  | (24,292.80)                    |
| XVIII   | <b>Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)</b>                     |                           |                                      |  |                                |
|         | (1) Basic  | (12.25)                   | (12.98)                              | (13.49)  | (52.42)                        |
|         | (2) Diluted  | (12.25)                   | (12.98)                              | (13.49)  | (52.42)                        |
| XIX     | <b>Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised) (In Rs.)</b>                    |                           |                                      |  |                                |
|         | (1) Basic  | -                         | -                                    | -  | -                              |
|         | (2) Diluted  | -                         | -                                    | -  | -                              |
| XX      | <b>Earnings per equity Share of Rs.10 each (for discontinued &amp; continuing operations): (not annualised) (In Rs.)</b> |                           |                                      |  |                                |
|         | (1) Basic  | (12.25)                   | (12.98)                              | (13.49)  | (52.42)                        |
|         | (2) Diluted  | (12.25)                   | (12.98)                              | (13.49)  | (52.42)                        |

See accompanying notes to the financial results:

Mahanagar Telephone Nigam Ltd  
CMD  
14/8

May kindly sign for  
K. CHHAJER  
ACCOUNTANTS  
11, R. N. Mukherjee Road

Submit  
14.08.2024  
CS

B. M. CHATRATH & CO. LLP  
KOLKATA  
CHARTERED ACCOUNTANTS

**MAHANAGAR TELEPHONE NIGAM LIMITED**

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

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

CIN: L32101DL1986GOI023501

**UNAUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER ENDED ON 30/06/2024**

(Rs. in Crore)

|         |   | STANDALONE                   |  |   |                                   |
|---------|---|------------------------------|--|---|-----------------------------------|
|         |   | Three Months Ended           |  |   | Year Ended                        |
| Sl. No. | Particulars   | 3 months ended<br>30/06/2024 | Preceding 3 months ended<br>31/03/2024 | Corresponding 3 months ended<br>30/06/2023 in the previous year | Previous year ended<br>31/03/2024 |
|         |   | UNAUDITED                    | AUDITED *                              | UNAUDITED   | AUDITED                           |
| 1.      | <b>Revenue from Operations</b>  |                              |  |   |                                   |
|         | Basic & other Services  | 159.92                       | 184.78                                 | 177.03  | 699.73                            |
|         | Cellular  | 9.77                         | 8.16                                   | 7.87  | 29.97                             |
|         | Unallocable   | -                            | 0.00                                   | -   | 0.00                              |
|         | <b>Total</b>  | <b>169.69</b>                | <b>192.95</b>                          | <b>184.90</b>   | <b>729.71</b>                     |
|         | Less: Inter Segment Revenue   | 0.29                         | 0.29                                   | 0.33  | 1.24                              |
|         | <b>Net Revenue from Operations</b>  | <b>169.40</b>                | <b>192.66</b>                          | <b>184.57</b>   | <b>728.47</b>                     |
| 2.      | <b>Segment Result before interest income, exceptional items, finance cost and tax</b> |                              |  |   |                                   |
|         | Basic & other Services  | (24.85)                      | 7.79                                   | (102.02)  | (163.22)                          |
|         | Cellular  | (53.01)                      | (113.13)                               | (105.18)  | (434.56)                          |
|         | Unallocable   | 0.33                         | (27.63)                                | (0.39)  | (33.34)                           |
|         | <b>Total</b>  | <b>(77.53)</b>               | <b>(132.96)</b>                        | <b>(207.59)</b>   | <b>(631.13)</b>                   |
|         | Add: Exceptional items  | -                            | -                                      | -   | -                                 |
|         | Add: Interest Income  | 10.87                        | 4.31                                   | 2.67  | 18.72                             |
|         | Less: Finance cost  | 705.16                       | 688.93                                 | 645.23  | 2,689.78                          |
|         | <b>Profit/ (Loss) before tax</b>  | <b>(771.82)</b>              | <b>(817.58)</b>                        | <b>(850.15)</b>   | <b>(3302.19)</b>                  |
|         | Less: Provision for Current Tax & Deferred tax  | -                            | -                                      | -   | -                                 |
|         | <b>Profit/ (Loss) after tax</b>   | <b>(771.82)</b>              | <b>(817.58)</b>                        | <b>(850.15)</b>   | <b>(3,302.19)</b>                 |
| 3       | <b>Segment Assets</b>   |                              |  |   |                                   |
|         | Basic & other Services  | 6,032.71                     | 5,982.20                               | 6,311.34  | 5,982.20                          |
|         | Cellular  | 2,964.61                     | 3,111.05                               | 3,435.14  | 3,111.05                          |
|         | Unallocable/Eliminations  | 1,519.50                     | 1,583.95                               | 1,585.62  | 1,583.95                          |
|         | <b>Total Segment Assets</b>   | <b>10,516.82</b>             | <b>10,677.20</b>                       | <b>11,332.10</b>  | <b>10,677.20</b>                  |
| 4       | <b>Segment Liabilities</b>  |                              |  |   |                                   |
|         | Basic & other Services  | 2,554.85                     | 2,481.17                               | 2,620.53  | 2,481.17                          |
|         | Cellular  | 30,798.42                    | 30,253.51                              | 28,638.58   | 30,253.51                         |
|         | Unallocable/Eliminations  | 1,584.29                     | 1,605.33                               | 1,757.63  | 1,605.33                          |
|         | <b>Total Segment Liabilities</b>  | <b>34,937.56</b>             | <b>34,340.00</b>                       | <b>33,016.74</b>  | <b>34,340.00</b>                  |

See accompanying notes to the financial results:



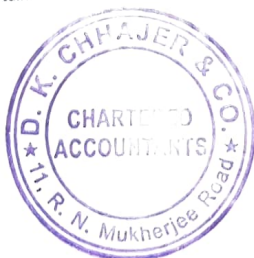


**Notes to Standalone Financial Results:**

- 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 14.08.2024 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 Months Ended |             |             | Year Ended  |
|-------|---|--------------------|-------------|-------------|-------------|
|       |   | 30.06.2024         | 31.03.2024  | 30.06.2023  | 31.03.2024  |
|       |   | UNAUDITED          | AUDITED *   | UNAUDITED   | AUDITED     |
| a     | Debt Service Coverage Ratio (in times)<br>[ EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt) ]   | 0.09               | 0.01        | (0.06)      | 0.01        |
| b     | Interest Service Coverage Ratio (in times)<br>[ EBITDA / Finance Cost ]   | 0.12               | 0.05        | (0.06)      | 0.02        |
| c     | Outstanding Redeemable Preference shares (quantity and value) (in Rs Crs)   | -                  | -           | -           | -           |
| d     | Capital Redemption Reserve (in Rs Crs)  | -                  | -           | -           | -           |
| e     | Debenture Redemption Reserve (in Rs Crs) #  | -                  | -           | -           | -           |
| f     | Net Worth (in Rs Crs) (As per Section 2 (57) of Companies Act 2013)   | (24,420.74)        | (23,662.80) | (21,684.64) | (23,662.80) |
| g     | Net Profit/ (Loss) After Tax (in Rs Crs)  | (771.82)           | (817.58)    | (850.15)    | (3,302.19)  |
| h     | Earnings Per Share (in Rs) [Not Annualised]   | (12.25)            | (12.98)     | (13.49)     | (52.42)     |
| i     | Current Ratio (in times)<br>[ Current Assets /Current Liabilities]  | 0.52               | 0.54        | 0.42        | 0.54        |
| j     | Debt-Equity Ratio (in times)<br>[ (Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]  | (1.26)             | (1.27)      | (1.33)      | (1.27)      |
| k     | Long Term Debt to Working Capital (in times)<br>Long Term Debt excluding lease liability + Current Maturities of Long Term Debt<br>Working Capital excluding current maturities of Long Term Borrowings | (7.49)             | (9.72)      | (7.18)      | (9.72)      |
| l     | Bad Debts to Account Receivable Ratio (in times)<br>[Bad Debts/Average Trade Receivables]   | 0.00               | 0.02        | 0.00        | 0.02        |
| m     | Current Liability Ratio (in times)<br>[ Current Liabilities/ Total Liabilities ]  | 0.30               | 0.28        | 0.41        | 0.28        |
| n     | Total Debts to Total Assets (in times)<br>[ (Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets ]   | 2.93               | 2.82        | 2.56        | 2.82        |
| o     | Debtors Turnover Ratio - Annualised (in times)<br>[ Revenue from Operations / Average Trade Receivables ]   | 1.24               | 1.55        | 1.24        | 1.36        |
| p     | ** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)   | 25,544.83          | 25,794.96   | 23,512.31   | 25,794.96   |
| q     | Operating Margin (%)<br>[ (EBIT - Other Income)/ Revenue from Operations ]  | (156.18)%          | (141.90)%   | (171.87)%   | (162.73)%   |
| r     | Net profit Margin (%)<br>[ Profit after Tax / Revenue from Operations ]   | (455.62)%          | (424.37)%   | (460.60)%   | (453.31)%   |

- \* The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
- # MTNL is a listed company and issued Non Convertible Debentures(NCDs) on private placement basis, there is no requirement to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) B of Companies (Share Capital and Debenture) Rules, 2014.
- \*\* Paidup debt Capital/Outstanding Debt excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 3,568.97 Cr for which the liability to pay interest and principal is on Government of India. Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- As the principal activities of the company are in the nature of services, so Inventory Turnover ratio is not relevant.
- The Company had claimed benefit under section 80IA of the Income Tax Act, 1961 for the financial year from 1997-98 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. 243.22 crores as contingent reserve to meet any contingency.
- The arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against MTNL for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs.0.61 Crores was also awarded to Canara Bank and Rs.0.32 Crore to CANFINA as costs. MTNL filed OMP (COMM) No.312 of 2022 before Hon'ble Delhi High Court to set aside the Award along with an IA No.14319 of 2022 seeking unconditional stay on the operation of said award. Further Canara Bank and Canfina also filed applications for enforcement of said award dated 03.03.2022 Canara Bank's- OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO.155 of 2022. MTNL managed to submit the properties as a security deposit before the Hon'ble Delhi High Court in terms of an order dated 10.05.2024. The next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Banks OMP and Canfina OMP is proposed on 05.09.2024.
- 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 and the counterclaim under arbitration will be accounted for in the year when the ultimate collection/payment of the same becomes reasonably certain.

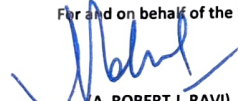




**Notes to Standalone Financial Results:**

- 11 In view of continuous support from Govt. of India with respect to capex and re-arrangement of borrowing through issue of Non Convertible Debentures(NCDs) with waiver of guarantee fee and other measures viz. constitution of committee of secretaries for recommendation way forward in respect of MTNL including merger with BSNL etc., management made an assessment of its ability to continue as a going concern.
- 12 The maintenance and running of MTNL wireless network has been handed over to BSNL as an outsource agency from 01.04.2021 (in case of Delhi) and from 01.09.2021 (in case of Mumbai) onwards to improve the quality of services. MTNL has initiated the process for raising the claims for gap funding. The financial impact of same, if any, will be accounted for on finalisation of operational modalities.
- 13 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.
- 14 The balance amount of Rs. 0.15 crores on account of ex-gratia payable to VRS optee employees is shown in the financial statement of the company as receivable from DoT and payable to VRS optee employees.
- 15 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.
- 16 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.
- 17 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.
- 18 The GPF Trust is currently in the process of reconciling and recomputing its liabilities to determine the general provident fund payable to employees. The adjustments, if any, resulting from this recomputation/reconciliation will be recognized in the financial statements in the year the reconciliation is finalized.
- 19 MTNL was not able to repay the term loan installments of Rs. 285 crores due on 30.06.2024. Meetings are being held for possible resolution with the lender bank for the settlement of the loan.
- 20 The financial results for the quarter ended June 30, 2024 have been reviewed by the Statutory Auditors as required under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 21 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



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



Place : New Delhi  
Date : 14.08.2024

**For D K Chhajer & Co.**  
111, 1<sup>st</sup> floor  
SSG Majesty Mall,  
Road No -43, Pitampura ,  
Delhi 110034

**For B M Chatrath & Co LLP**  
Flat No-10  
45 , Friends Colony East  
New Delhi -110065

**Independent Auditor's Review Report on Standalone Unaudited Financial Results of Mahanagar Telephone Nigam Limited for the Quarter ended June 30<sup>th</sup>, 2024 pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To  
The Board of Directors  
Mahanagar Telephone Nigam Limited  
Mahanagar Doorsanchar Sadan,  
5th Floor, 9, CGO Complex,  
Lodhi Road, New Delhi - 110003

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Mahanagar Telephone Nigam Limited** ("the Company / MTNL") for the quarter ended June 30<sup>th</sup>, 2024 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement which is the responsibility of the Company's Management and approved by its Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis for Qualified Conclusion**

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



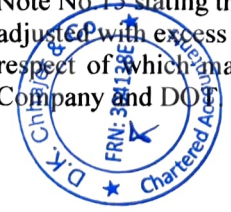
**5. Qualified Conclusion**

Based on our review conducted as stated above, except for the observations / matters mentioned in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results read with notes thereon, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**6. Emphasis of Matter**

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

- (i) Notes No.8 regarding pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Company u/s 80IA of the Income Tax Act, 1961. we are unable to comment on the adequacy or otherwise of the provision and / or contingency reserve held by the Company.
- (ii) Notes No. 10 regarding impact of accounting of claims and counter claims of the Company 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. 12 regarding the operations and maintenance of wireless network being handed over to BSNL as an outsource agency from April 1<sup>st</sup>, 2021 (in case of Delhi) and September 1<sup>st</sup>, 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.
- (iv) Note No.13 regarding the amount recoverable from Department of Telecommunications ("DOT") in respect of settlement of General Provident Fund (GPF) amounting to Rs.6.52 crores of Combined Service Optees absorbed employees in MTNL and the matter has been under review with DOT and the full amount of GPF including interest thereon, claimed by the Company in respect of which correspondence is going on between the Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.
- (v) Notes No.14 which states that in pursuance of DOT letter No. F.No. 30-04/2019-PSU Affairs dated October 29<sup>th</sup>, 2019 and decision of Board of Directors of MTNL through circular regulation on November 4<sup>th</sup>, 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from November 4<sup>th</sup>, 2019 under which 14,387 number of MTNL employees opted for VRS and the expenditure of ex-gratia on account of compensation to be borne by the DOT/Government of India through budgetary supports as per approval of cabinet. Balance amount payable to VRS opted employees as on June 30<sup>th</sup>, 2024 is shown in the financial statements of the Company as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL
- (vi) Note No 15 stating that the payables towards license fees and spectrum usage charges have been adjusted with excess pension payouts to Combined Pensioners Optees recoverable from DOT in respect of which matter is under consideration and correspondence is going on between the Company and DOT





- (vii) Note No.16 stating that the License agreement between Company and DOT does not have any guidance on change in method of calculation of Adjusted Gross Revenue (AGR) due to migration to Ind-AS from i-GAAP. Provisioning and payment of liability in respect of license fees and spectrum usage charges payable to DOT have been done on the basis of Ind-AS based financial statements. The amount of difference in computation of Adjusted Gross Revenue (AGR) is under consideration of DOT.
- (viii) Notes No.17 regarding dues from the Operators being on account of revenue sharing agreements are not treated as debtors and consequently are not taken into account for making provision for doubtful debts.
- (ix) Note No.18 Regarding amount payable to GPF trust is currently in the process of reconciling its liabilities to determine the provident fund payables to employees. The adjustment if any resulting from this recomputation/ reconciliation will be recognized once the reconciliation process is completed.


Our conclusion is not modified in respect of aforesaid matters.


## 7. Other Matter

The comparative standalone financial information of the Company for the corresponding quarter ended June 30<sup>th</sup>, 2023 were reviewed by the predecessor joint auditors who expressed a qualified conclusion on the same vide their report dated August 11<sup>th</sup>, 2023.

Our conclusion is not modified in respect of this matter.

For D K Chhajer & Co.  
Chartered Accountants  
FRN: 304138E

  
CA Nand Kishore Sarraf  
Partner  
M. No. 510708  
UDIN: 24510708BKBMPY3113



Place: Delhi  
Date: August 14<sup>th</sup>, 2024

For B M Chatrath & Co. LLP  
Chartered Accountants  
FRN: 301011E / E300025

  
CA Sanjay Sankar  
Partner  
M. No. 064305  
UDIN: 24064305BKFEFO6328



Place: Delhi  
Date: August 14<sup>th</sup>, 2024

**Annexure-1 to the Independent Auditors' Review Report**  
**(Referred to in Para 4 of our report of even date)**

- i) The Net Worth of the Company has been fully eroded; the Company has incurred net cash loss during the quarter ended June 30<sup>th</sup>, 2024 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the quarter under review the Holding Company has also defaulted in repayment of certain installments of term loan amounting to Rs. 285 crores and interest on term loan amounting to Rs.44 crores.

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

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

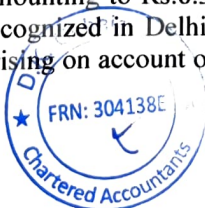
Further, Union Cabinet has also approved the "Revival plan of BSNL and MTNL" by reducing employee costs, administrative allotment of spectrum for 4G services, debt restructuring by raising of sovereign guarantee bonds, monetization of assets and in principle approval for merger of BSNL and MTNL. Further,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

As per F.NO.20-28/2022-PR dated August 2<sup>nd</sup>, 2022, the Union Cabinet in its meeting held on July 27<sup>th</sup>, 2022 had approved the raising of Sovereign Guarantee bonds for MTNL with a tenure of 10 years or more for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high cost debt and restructure it with new sustainable loan. Up to the financial year ended March 31, 2024, the Company had raised Rs. 17,571 crores.

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

ii) Bharat Sanchar Nigam Limited (BSNL):

- a) The Company has certain balances receivable from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3587.42 crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and in view of various pending disputes regarding claims and counter claims we are not in a position to ascertain and comment on the recoverability and the correctness of the outstanding balances and resultant impact of the same on the standalone financial result for the quarter ended June 30<sup>th</sup>, 2024 of the Company.
- b) The Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs. 154.84 crores has not been carried forward resulting in overstatement of Current Assets and understatement of loss to that extent.
- c) The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs.8.38 Crores accrued during the quarter ended June 30<sup>th</sup>, 2024, has not been recognized in Delhi unit in the Standalone Ind-AS financial statement, however, the income arising on account of rental income in respect of property occupied by the BSNL amounting to





Rs.7.48 Crores has been recognized in Mumbai Unit in the Standalone Ind-AS financial statement on estimate basis. Further, the Goods and Services Tax (GST) has also not been considered in respect of income arising on account of rented property occupied by the BSNL for both Delhi and Mumbai unit. The accumulated impact on the standalone Ind-AS financial statement of such income and liability under Goods and Services Tax (GST) for the quarter ended June 30<sup>th</sup>, 2024 and preceding years is not ascertained and quantified.

- iii) The Company has certain balances receivable from and payable to the Department of Telecommunication (DOT). The net amount payable of Rs.10.05 crores subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the recoverability and correctness of the outstanding balances and resultant impact of the same on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024 of the Company.
- iv) The Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 64.27 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the recoverability and correctness of the outstanding balance as above and resultant impact on standalone Ind AS financial statements of the Company for the quarter ended June 30<sup>th</sup>, 2024.
- v) Up to the financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13 onwards the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent.
- vi) Except for the impairment loss of assets of CDMA units provided in earlier years, no adjustment has been considered on account of impairment loss if any, during the quarter ended June 30<sup>th</sup> 2024, with reference to Indian Accounting Standard - 36 Impairment of Assets" prescribed under Section 133 of the Companies Act 2013. In view of uncertainty in achievement of future projections made by the Company we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the quarter ended June 30<sup>th</sup>, 2024, accumulated balance of other equity and also the carrying value of the cash generating units.
- vii) The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and other parties and amount payable to trade payables, claim payable to operators and amount payable to other parties.

Accordingly, amount receivable from and payable to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliation, the impact thereof on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024 are not ascertainable and quantifiable.

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





- ix) Unlinked credit of Rs. 80.32 crores on account of receipts from subscribers against billing by the Company which could not be matched with corresponding receivables is appearing as liabilities in the balance sheet. To that extent trade receivables and current liabilities are overstated. Pending reconciliations, the impact thereof on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024 are not ascertainable and quantifiable.
- x) Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by the finance department in respect of bought out capital items or inventory issued from the Stores. Due to delay in issuance of the completion certificates/ receipt of the bills/ receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. We are unable to comment whether the Capital Work-in-progress (CWIP) shown in books in the current quarter are actually part of CWIP or have already been commissioned. The resultant impact of the same on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024 by way of depreciation cannot be ascertained and quantified.

- xi) Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 crores in 2012-13 on account of one-time charges for 2G spectrum held by the Company for GSM and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis.

Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Court on account of dispute by other private operators on the similar demands the amount payable if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3,205.71 Crores has been disclosed as contingent liability till FY 2018- 19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTC on spectrum allotted beyond 6.2 MHz directed Govt. to review the demand for spectrum allotted after July 1<sup>st</sup>, 2008 and that too w.e.f, January 1<sup>st</sup>, 2013 in case the spectrum beyond 6.2 MHz was allotted before January 1<sup>st</sup>, 2013. As explained as per the TDSAT orders also no further demand has been raised till now and as per management based on TDSAT direction the demand, if any cannot be more than Rs. 455 .15 crores the same is considered as contingent liability.

In view of the above we are not in a position to comment on the correctness of the stand taken by the Company and the ultimate implications of the same on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024 of the Company.

- xii) The Company has recovered Electricity Charges from the tenants on which liability for Goods and Services Tax (GST) has not been considered as the expenses have been recovered without installing sub meter in some of the cases. The actual impact of the same on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024 has not been ascertained and quantified.

- xiii) The TDS on provision for expenses (Accrued Liability) have not been deducted under chapter XVII- B of Income-tax Act, 1961. The actual impact of the same on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024, have not been ascertained and quantified.

- xiv) The Company is making provision for interest for late/non-payment to MSME vendors which is subject to deduction of tax under section 194A of Income -tax Act,1961. The actual impact of the same on the standalone financial results for the quarter ended June 30<sup>th</sup>, 2024 has not been ascertained and quantified.

- xv) The Company has not recognized for loss allowance for trade receivables as per the requirements of Ind AS 109 "Financial Instruments" amounting to Rs. 74.88 crores relating to companies which are




under insolvency process and certain trade receivables amounting to Rs. 11.55 crores pertaining to infrastructure business wherein there is significant increase in credit risk.

The impact of the aforesaid on the standalone Ind-AS financial statements for the quarter ended June 30<sup>th</sup>, 2024 has not been ascertained and quantified.

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


In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv) and (xv) on the standalone financial result of the Company for the quarter ended June 30<sup>th</sup>, 2024.

For D K Chhajer & Co.  
Chartered Accountants  
FRN: 304138E

  
CA Nand Kishore Sarraf  
Partner  
M. No. 510708  
UDIN:24510708BKBMPY3113



For B M Chatrath & Co. LLP  
Chartered Accountants  
FRN: 301011E / E300025

  
CA Sanjay Sarkar  
Partner  
M. No. 064305  
UDIN: 24064305BKFEFO6328



Place: Delhi  
Date: August 14<sup>th</sup>, 2024

Place: Delhi  
Date: August 14<sup>th</sup>, 2024

**MAHANAGAR TELEPHONE NIGAM LIMITED**

( A Govt. of India Enterprise)

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CIN : L32101DL1986GOI023501

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30/06/2024**

(Rs. in Crore)

| Sl. No. | Particulars  | CONSOLIDATED                 |  |   |                                      |
|---------|--|------------------------------|--|---|--------------------------------------|
|         |  | Three Months Ended           |  |   | Year Ended                           |
|         |  | 3 months ended<br>30/06/2024 | Preceeding 3<br>months ended<br>31/03/2024 | Corresponding 3<br>months ended<br>30/06/2023 in<br>the previous year | Previous year<br>ended<br>31/03/2024 |
|         | UNAUDITED  | AUDITED *                    | UNAUDITED                                  | AUDITED   |                                      |
| I       | Revenue from operations  | 183.85                       | 209.02                                     | 199.48  | 798.56                               |
| II      | Other Income   | 198.50                       | 144.52                                     | 113.07  | 574.53                               |
| III     | <b>Total Income (I +II)</b>  | <b>382.35</b>                | <b>353.54</b>                              | <b>312.55</b>   | <b>1,373.10</b>                      |
| IV      | <b>Expenses</b>  |                              |  |   |                                      |
|         | Purchases of stock-in-trade  | 0.55                         | 1.40                                       | 0.72  | 4.61                                 |
|         | License Fees & Spectrum Charges  | 16.72                        | 16.77                                      | 18.43   | 70.79                                |
|         | Employee benefits expense  | 147.42                       | 121.89                                     | 150.32  | 574.07                               |
|         | Finance cost   | 705.19                       | 688.96                                     | 645.26  | 2,689.90                             |
|         | Revenue Sharing  | 13.03                        | 26.65                                      | 14.54   | 73.48                                |
|         | Depreciation and amortization expense  | 156.50                       | 164.32                                     | 165.64  | 666.35                               |
|         | Other Expenses   | 117.06                       | 117.22                                     | 169.96  | 563.43                               |
|         | <b>Total Expenses (IV)</b>   | <b>1,156.47</b>              | <b>1,137.21</b>                            | <b>1,164.87</b>   | <b>4,642.63</b>                      |
| V       | <b>Profits/(Loss) before exceptional items and tax(III-IV)</b>   | <b>(774.12)</b>              | <b>(783.67)</b>                            | <b>(852.32)</b>   | <b>(3,269.53)</b>                    |
| VI      | Share of Profit/(loss) in investments accounted for using equity method  | 0.66                         | (0.26)                                     | 0.39  | 1.82                                 |
| VII     | Exceptional items  | -                            | -  | -   | -                                    |
| VIII    | <b>Profit/ (Loss) before tax (V+ VI-VII)</b>   | <b>(773.46)</b>              | <b>(783.93)</b>                            | <b>(851.93)</b>   | <b>(3,267.71)</b>                    |
| IX      | Tax expense:   |                              |  |   |                                      |
|         | (1) Current tax  | -                            | 0.09                                       | -   | 0.09                                 |
|         | (2) Deferred tax   | -                            | (0.28)                                     | -   | (0.28)                               |
| X       | <b>Profit/ (Loss) for the period from continuing operations (VIII - IX)</b>  | <b>(773.46)</b>              | <b>(783.74)</b>                            | <b>(851.93)</b>   | <b>(3,267.52)</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>                             |
| XIV     | <b>Profit/ (Loss) for the period (X + XIII)</b>  | <b>(773.46)</b>              | <b>(783.74)</b>                            | <b>(851.93)</b>   | <b>(3,267.52)</b>                    |
| XV      | <b>Other Comprehensive Income</b>  |                              |  |   |                                      |
| A       | i) Items that will not be reclassified to profit and loss  | (3.81)                       | (11.83)                                    | (1.12)  | (15.22)                              |
|         | ii) Income tax relating to items that will not be reclassified to profit or loss   | -                            | -  | -   | -                                    |
| B       | i) Items that will be reclassified to profit or loss   | (2.28)                       | (3.25)                                     | (3.73)  | (3.93)                               |
|         | ii) Income tax relating to items that will be reclassified to profit or loss   | -                            | -  | -   | -                                    |
|         | <b>Other Comprehensive Income for the year</b>   | <b>(6.09)</b>                | <b>(15.08)</b>                             | <b>(4.85)</b>   | <b>(19.16)</b>                       |
| XVI     | <b>Total Comprehensive Income for the period (XIV+XV)</b>  | <b>(779.55)</b>              | <b>(798.82)</b>                            | <b>(856.78)</b>   | <b>(3,286.68)</b>                    |
| XVII    | <b>Paid up Equity Share Capital</b>  |                              |  |   | 630.00                               |
| XVIII   | <b>Other Equity excluding revaluation reserves</b>   |                              |  |   | (24,274.10)                          |
| XIX     | <b>Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised) (In Rs.)</b>                     |                              |  |   |                                      |
|         | (1) Basic  | (12.28)                      | (12.44)                                    | (13.52)   | (51.87)                              |
|         | (2) Diluted  | (12.28)                      | (12.44)                                    | (13.52)   | (51.87)                              |
| XX      | <b>Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised) (In Rs.)</b>                    |                              |  |   |                                      |
|         | (1) Basic  | -                            | -  | -   | -                                    |
|         | (2) Diluted  | -                            | -  | -   | -                                    |
| XXI     | <b>Earnings per equity Share of Rs.10 each (for discontinued &amp; continuing operations): (not annualised) (In Rs.)</b> |                              |  |   |                                      |
|         | (1) Basic  | (12.28)                      | (12.44)                                    | (13.52)   | (51.87)                              |
|         | (2) Diluted  | (12.28)                      | (12.44)                                    | (13.52)   | (51.87)                              |

See accompanying notes to the financial results:

Mahanagar Telephone Nigam  
 May kindly sign for  
 D. K. Chhajee & Co.  
 14/8

D. K. CHHAJEE & CO.  
 CHARTERED ACCOUNTANTS  
 11, R. N. Mukherjee Road

B. M. CHATRATH & CO. LLP  
 KOLKATA  
 CHARTERED ACCOUNTANTS

CMP  
 14/8

14.08.2024  
 CS



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CIN : L32101DL1986GOI023501

**UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER ENDED ON 30/06/2024**

(Rs. in Crore)

|           |   | CONSOLIDATED                 |  |   |                                      |
|-----------|---|------------------------------|--|---|--------------------------------------|
|           |   | Three Months Ended           |  |   | Year Ended                           |
| Sl. No.   | Particulars   | 3 months ended<br>30/06/2024 | Preceeding 3<br>months ended<br>31/03/2024 | Corresponding 3<br>months ended<br>30/06/2023 in the<br>previous year | Previous year<br>ended<br>31/03/2024 |
|           |   | UNAUDITED                    | AUDITED *                                  | UNAUDITED   | AUDITED                              |
| <b>1.</b> | <b>Revenue from Operations</b>  |                              |  |   |                                      |
|           | Basic & other Services  | 159.92                       | 184.78                                     | 177.03  | 699.73                               |
|           | Cellular  | 24.22                        | 24.52                                      | 22.78   | 100.06                               |
|           | Unallocable   | -                            | 0.00                                       | -   | 0.00                                 |
|           | <b>Total</b>  | <b>184.14</b>                | <b>209.30</b>                              | <b>199.81</b>   | <b>799.80</b>                        |
|           | Less: Inter Segment Revenue   | 0.29                         | 0.29                                       | 0.33  | 1.24                                 |
|           | <b>Net Revenue from Operations</b>  | <b>183.85</b>                | <b>209.02</b>                              | <b>199.48</b>   | <b>798.56</b>                        |
| <b>2.</b> | <b>Segment Result before interest income, exceptional items, finance cost and tax</b> |                              |  |   |                                      |
|           | Basic & other Services  | (24.85)                      | 7.79                                       | (102.02)  | (163.22)                             |
|           | Cellular  | (55.61)                      | (114.19)                                   | (107.77)  | (437.62)                             |
|           | Unallocable   | 0.33                         | 7.04                                       | (0.40)  | 0.94                                 |
|           | <b>Total</b>  | <b>(80.13)</b>               | <b>(99.35)</b>                             | <b>(210.19)</b>   | <b>(599.90)</b>                      |
|           | Add: Exceptional items  | -                            | -  | -   | -                                    |
|           | Add: Interest Income  | 11.20                        | 4.64                                       | 3.13  | 20.27                                |
|           | Less: Finance cost  | 705.19                       | 688.96                                     | 645.26  | 2,689.90                             |
|           | Add: Share of profit or loss from Associates/ JV                                      | 0.66                         | (0.26)                                     | 0.39  | 1.82                                 |
|           | <b>Profit/ (Loss) before tax</b>  | <b>(773.46)</b>              | <b>(783.93)</b>                            | <b>(851.93)</b>   | <b>(3267.71)</b>                     |
|           | Less: Provision for Current Tax & Deferred tax  | -                            | (0.19)                                     | -   | (0.19)                               |
|           | <b>Profit/ (Loss) after tax</b>   | <b>(773.46)</b>              | <b>(783.74)</b>                            | <b>(851.93)</b>   | <b>(3267.52)</b>                     |
| <b>3</b>  | <b>Segment Assets</b>   |                              |  |   |                                      |
|           | Basic & other Services  | 6,032.71                     | 5,982.20                                   | 6,311.34  | 5,982.20                             |
|           | Cellular  | 3,093.19                     | 3,245.45                                   | 3,566.95  | 3,245.45                             |
|           | Unallocable/Eliminations  | 1,426.04                     | 1,489.68                                   | 1,455.28  | 1,489.68                             |
|           | <b>Total Segment Assets</b>   | <b>10,551.94</b>             | <b>10,717.34</b>                           | <b>11,333.57</b>  | <b>10,717.34</b>                     |
| <b>4</b>  | <b>Segment Liabilities</b>  |                              |  |   |                                      |
|           | Basic & other Services  | 2,554.85                     | 2,481.17                                   | 2,620.53  | 2,481.17                             |
|           | Cellular  | 30,816.43                    | 30,272.65                                  | 28,655.48   | 30,272.65                            |
|           | Unallocable/Eliminations  | 1,586.62                     | 1,607.63                                   | 1,759.76  | 1,607.63                             |
|           | <b>Total Segment Liabilities</b>  | <b>34,957.90</b>             | <b>34,361.44</b>                           | <b>33,035.77</b>  | <b>34,361.44</b>                     |

See accompanying notes to the financial results:



**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 14.08.2024 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 Months Ended |             |             | Year Ended  |
|-------|---|--------------------|-------------|-------------|-------------|
|       |   | 30.06.2024         | 31.03.2024  | 30.06.2023  | 31.03.2024  |
|       |   | UNAUDITED          | AUDITED *   | UNAUDITED   | AUDITED     |
| a     | Debt Service Coverage Ratio (in times)<br>[ EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt) ]   | 0.09               | 0.03        | (0.06)      | 0.01        |
| b     | Interest Service Coverage Ratio (in times)<br>[ EBITDA/Finance Cost ]   | 0.13               | 0.10        | (0.06)      | 0.03        |
| c     | Outstanding Redeemable Preference shares (quantity and value) (in Rs Crs)   | -                  | -           | -           | -           |
| d     | Capital Redemption Reserve (in Rs Crs)  | -                  | -           | -           | -           |
| e     | Debenture Redemption Reserve (in Rs Crs) #  | -                  | -           | -           | -           |
| f     | Net Worth (in Rs Crs) (As per Section 2(57) of Companies Act 2013)  | (24,405.96)        | (23,644.10) | (21,702.20) | (23,644.10) |
| g     | Net Profit/ (Loss) After Tax (in Rs Crs)  | (773.46)           | (783.74)    | (851.93)    | (3,267.52)  |
| h     | Earnings Per Share (in Rs) [Not Annualised]   | (12.28)            | (12.44)     | (13.52)     | (51.87)     |
| i     | Current Ratio (in times)<br>[ Current Assets /Current Liabilities]  | 0.53               | 0.55        | 0.42        | 0.55        |
| j     | Debt-Equity Ratio (in times)<br>[ (Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]  | (1.26)             | (1.27)      | (1.33)      | (1.27)      |
| k     | Long Term Debt to Working Capital (in times)<br>Long Term Debt excluding lease liability + Current Maturities of Long Term Debt<br>Working Capital excluding current maturities of Long Term Borrowings | (7.63)             | (9.96)      | (7.31)      | (9.96)      |
| l     | Bad Debts to Account Receivable Ratio (in times)<br>[Bad Debts/Average Trade Receivables]   | 0.00               | 0.02        | 0.00        | 0.02        |
| m     | Current Liability Ratio (in times)<br>[ Current Liabilities/ Total Liabilities ]  | 0.30               | 0.28        | 0.41        | 0.28        |
| n     | Total Debts to Total Assets (in times)<br>[ (Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets ]   | 2.92               | 2.81        | 2.56        | 2.81        |
| o     | Debtors Turnover Ratio - Annualised (in times)<br>[ Revenue from Operations / Average Trade Receivables ]   | 1.31               | 1.63        | 1.32        | 1.45        |
| p     | ** Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)   | 25,544.83          | 25,794.96   | 23,512.31   | 25,794.96   |
| q     | Operating Margin (%)<br>[ (EBIT - Other Income)/ Revenue from Operations ]  | (145.09)%          | (114.49)%   | (160.29)%   | (144.28)%   |
| r     | Net profit Margin (%)<br>[ Profit after Tax / Revenue from Operations ]   | (420.69)%          | (374.97)%   | (427.08)%   | (409.18)%   |

- \* The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
- # MTNL is a listed company and issued Non Convertible Debentures(NCDs) on private placement basis, there is no requirement to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) of Companies (Share Capital and Debenture) Rules, 2014.
- \*\* Paidup debt Capital/Outstanding Debt (excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 3,568.97 Cr for which the liability to pay interest and principal is on Government of India). Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- As the principal activities of group company are in the nature of services, so Inventory Turnover ratio is not relevant.
- The Company had claimed benefit under section 80IA of the Income Tax Act, 1961 for the financial year from 1997-98 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. 243.22 crores as contingent reserve to meet any contingency.
- The arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against MTNL for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs.0.61 Crores was also awarded to Canara Bank and Rs.0.32 Crore to CANFINA as costs. MTNL filed OMP (COMM) No.312 of 2022 before Hon'ble Delhi High Court to set aside the Award along with an IA No.14319 Of 2022 seeking unconditional stay on the operation of said award. Further Canara Bank and Canfina also filed applications for enforcement of said award dated 03.03.2022 Canara Bank's- OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO.155 of 2022. MTNL managed to submit the properties as a security deposit before the Hon'ble Delhi High Court in terms of an order dated 10.05.2024. The next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Banks OMP and Canfina OMP is proposed on 05.09.2024.
- 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 and the counterclaim under arbitration will be accounted for in the year when the ultimate collection/payment of the same becomes reasonably certain.



**Notes to Consolidated Financial Results:**

- 11 In view of continuous support from Govt. of India with respect to capex and re-arrangement of borrowing through issue of Non Convertible Debentures(NCDs) with waiver of guarantee fee and other measures viz. constitution of committee of secretaries for recommendation way forward in respect of MTNL including merger with BSNL etc., management made an assessment of its ability to continue as a going concern.
- 12 The maintenance and running of MTNL wireless network has been handed over to BSNL as an outsource agency from 01.04.2021 (in case of Delhi) and from 01.09.2021 (in case of Mumbai) onwards to improve the quality of services. MTNL has initiated the process for raising the claims for gap funding. The financial impact of same, if any, will be accounted for on finalisation of operational modalities.
- 13 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.
- 14 The balance amount of Rs. 0.15 crores on account of ex-gratia payable to VRS optee employees is shown in the financial statement of the company as receivable from DoT and payable to VRS optee employees.
- 15 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.
- 16 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.
- 17 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.
- 18 The GPF Trust is currently in the process of reconciling and recomputing its liabilities to determine the general provident fund payable to employees. The adjustments, if any, resulting from this recomputation/reconciliation will be recognized in the financial statements in the year the reconciliation is finalized.
- 19 MTNL was not able to repay the term loan installments of Rs. 285 crores due on 30.06.2024. Meetings are being held for possible resolution with the lender bank for the settlement of the loan.
- 20 The financial results for the quarter ended June 30, 2024 have been reviewed by the Statutory Auditors as required under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 21 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

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



Place : New Delhi  
Date : 14.08.2024





**For D K Chhajer & Co.**  
111, 1<sup>st</sup> floor  
SSG Majesty Mall,  
Road No -43, Pitampura ,  
Delhi 110034

**For B M Chatrath & Co LLP**  
Flat No-10  
45 , Friends Colony East  
New Delhi -110065

**Independent Auditor' Review Report on Unaudited Consolidated Financial Results of Mahanagar Telephone Nigam Limited for the Quarter Ended June 30<sup>th</sup> , 2024 pursuant to the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To

**The Board of Directors  
Mahanagar Telephone Nigam Limited  
Mahanagar Doorsanchar Sadan,  
5th Floor, 9, CGO Complex,  
Lodhi Road, New Delhi – 110003**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Mahanagar Telephone Nigam Limited** ("the Holding Company / MTNL") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its joint venture and associate for the quarter ended June 30<sup>th</sup>, 2024 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the Circular No. CIR/CFD/CMDI/44/ 2019 dated March 29<sup>th</sup>, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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

|   |                                  |
|---|----------------------------------|
| Millenium Telecom Limited               | Wholly Owned Indian Subsidiary   |
| Mahanagar Telephone (Mauritius) Limited | Wholly Owned Overseas Subsidiary |
| MTML International Limited              | Step down Subsidiary             |
| MTML Data Limited                       | Step down Subsidiary             |
| MTNL STPI IT Services Limited           | Joint Venture                    |
| United Telecommunications Limited       | Associate                        |

#### 5. Basis for Qualified Conclusion

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

#### 6. Qualified Conclusion

Based on our review conducted as stated above, except for the observations/matters mentioned in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results read with notes thereon, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### 7. Emphasis of Matter

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

- (i) Notes No. 8 regarding pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Holding Company u/s 80IA of the Income Tax Act, 1961 we are unable to comment on the adequacy or otherwise of the provision and / or contingency reserve held by the Holding Company.
- (ii) Notes No. 10 regarding impact of accounting of claims and counter claims of the Holding Company 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. 12 regarding the operations and maintenance of wireless network of the Holding Company being handed over to BSNL as an outsource agency from April 1st, 2021 (in case of Delhi) and September 1st, 2021 (in case of Mumbai) onwards. Pending finalization of standard operating procedures, the financial impact of the same (if any) will be accounted for on finalization of operational modalities.
- (iv) Note No.13 The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) amounting to Rs. 6.52 crores of Combined Service Optees absorbed employees in MTNL and the matter has been under review with DOT and the full amount of GPF including interest thereon, claimed of the Holding Company in respect of which correspondence is going on between the Holding Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.
- (v) Notes No.14 which states that in pursuance of DOT letter No. F.No. 30-04/2019-PSU Affairs dated October 29<sup>th</sup>, 2019 and decision of Board of Directors of MTNL through circular regulation on November 4<sup>th</sup>, 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from November 4<sup>th</sup>, 2019 under which 14,387 number of MTNL employees opted for VRS and the expenditure of ex-gratia on account of compensation to be borne by the DOT/Government of India through budgetary supports as per approval of cabinet. Balance amount payable to VRS opted employees as on June 30, 2024 is shown in the financial statements of the Holding Company as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL.
- (vi) Notes No. 15 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.
- (vii) Note No.16 stating that the License agreement between the Holding Company and DOT does not have any guidance on change in method of calculation of Adjusted Gross Revenue (AGR) due to migration to Ind-AS from i-GAAP. Provisioning and payment of liability in respect of license fees and spectrum usage charges payable to DOT have been done on the basis of Ind-AS based financial statements. The amount of difference in computation of Adjusted Gross Revenue (AGR) is under consideration of DOT.
- (viii) Notes No.17 regarding dues from the Operators being on account of revenue sharing agreements are not treated as debtors and consequently are not taken into account for making provision for doubtful debts.
- (ix) Note No.18 Regarding amount payable to GPF trust is currently in the process of reconciling its liabilities to determine the provident fund payables to employees. The adjustment if any resulting from this recomputation/ reconciliation will be recognized once the reconciliation process is completed.

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





## 8. Other Matters

- 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.15.03 crores, net loss of Rs. 2.30 crores and total comprehensive income of Rs.(4.58) crores for the quarter ended June 30<sup>th</sup>, 2024 and the interim financial results and other financial information of 1 joint venture which reflects Group's share of net profit after tax of Rs.0.66 Crores and total comprehensive income of Rs. NIL for the quarter ended June 30<sup>th</sup>, 2024 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/information reflect the Group's share of net loss and the Group's share of total comprehensive loss of Rs. NIL, for the quarter ended June 30<sup>th</sup>, 2024 which are certified by the management. According to the information and explanations given to us by the Management, these interim financial results and other financial information are not material to the Group.
- b) The comparative consolidated financial information of the Group and its joint venture and associate for the corresponding quarter ended June 30<sup>th</sup>, 2023 were reviewed by the predecessor joint auditors who expressed a qualified conclusion on the same vide their report dated August 11<sup>th</sup>, 2023.

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

For D K Chhajer & Co.  
Chartered Accountants  
FRN: 304138E

CA Nand Kishore Sarraf  
Partner  
M. No. 510708  
UDIN: 24510708BKBMPZ6836



For B M Chatrath & Co. LLP  
Chartered Accountants  
FRN: 301011E/E300025

CA Sanjay Sarkar  
Partner  
M. No. 064305  
UDIN: 24064305BKFEFP2588



Place: Delhi  
Date: August 14<sup>th</sup>, 2024

Place: Delhi  
Date: August 14<sup>th</sup>, 2024

## Annexure - I to the Independent Auditors' Review Report

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

- i) The Net Worth of the Holding Company has been fully eroded; The Holding Company has incurred net cash loss during the quarter ended June 30<sup>th</sup>, 2024 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the quarter under review the Holding Company has also defaulted in repayment of certain instalments of term loan amounting to Rs. 285 crores and interest on term loan amounting to Rs.44 crores.

ii)

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

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

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

As per F.NO.20-28/2022-PR dated August 2<sup>nd</sup>, 2022, the Union Cabinet in its meeting held on July 27<sup>th</sup>, 2022 had approved the raising of Sovereign Guarantee bonds for MTNL with a tenure of 10 years or more for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high-cost debt and restructure it with new sustainable loan. Up to the financial year ended March 31, 2024, the Holding Company had raised Rs. 17,571 crores.

iii) Bharat Sanchar Nigam Limited (BSNL):

- a) The Holding Company has certain balances receivable from and payables to Bharat Sanchar Nigam Limited (BSNL). The amount recoverable of Rs.3587.42 crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the recoverability and correctness of the outstanding balances and resultant impact of the same on the consolidated financial results for the quarter ended June 30<sup>th</sup>, 2024 of the Group including its joint venture and associate.
- b) The Holding Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs.154.84 crores has not been carried forward resulting in overstatement of Current Assets and understatement of loss to that extent.
- c) The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs. 8.38 Crores accrued during the quarter ended June 30<sup>th</sup>, 2024 has not been recognized in Delhi unit in the consolidated financial results. However, the income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs.7.48 Crores has been recognized in Mumbai





Unit in the consolidated financial results on estimate basis. Further, the Goods and Services Tax (GST) has also not been considered in respect of income arising on account of rented property occupied by the BSNL for both Delhi and Mumbai unit. The accumulated impact on the consolidated financial results of such income and liability under Goods and Services Tax (GST) for the current year and preceding years is not ascertained and quantified.

- iii) The Holding Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 10.05 crores, is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the recoverability and correctness of the outstanding balances and resultant impact of the same on the Consolidated financial results of the Group including its joint venture and associate.
- iv) The Holding Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 64.27 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the correctness of the outstanding balance as above and resultant impact on Consolidated financial results of the Group including its joint venture and associate.
- v) Up to the financial year 2011-12, License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13 onwards the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Holding Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent.
- vi) Except for the impairment loss of assets of CDMA units provided in earlier years, no adjustment has been considered on account of impairment loss, if any, during the year, with reference to Indian Accounting Standard – 36 “Impairment of Assets” prescribed under Section 133 of the Act. In view of uncertainty in achievement of future projections made by the Holding Company, we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the quarter ended June 30<sup>th</sup>, 2024, accumulated balance of other equity and also the carrying value of the cash generating units.
- vii) The Holding Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and others parties and amount payables to trade payables, claim payable to operators, and amount payable to other parties.

Accordingly, amount receivables from and payables to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliations, the impact thereof on the Consolidated financial results are not ascertainable and quantifiable.

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





- ix) Unlinked credit of Rs.80.32 crores on account of receipts from subscribers against billing by the Holding Company which could not be matched with corresponding receivables is appearing as liabilities in the balance sheet. To that extent, trade receivables and current liabilities are overstated. Pending reconciliations, the impact thereof on the Consolidated financial results are not ascertainable and quantifiable.
- x) Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. We are unable to comment whether the Capital Work-in-progress (CWIP) shown in books in the current year are actually part of CWIP or have already been commissioned. The resultant impact of the same on the Consolidated financial results by way of depreciation cannot be ascertained and quantified.
- xi) Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 crores in 2012-13 on account of one-time charges for 2G spectrum held by the Company for GSM and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis.

Also as explained, pending finality of the issue by the Holding Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Court on account of dispute by other private operators on the similar demands the amount payable if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3,205.71 crores has been disclosed as contingent liability till FY 2018- 19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTC on spectrum allotted beyond 6.2 MHz directed Govt. to review the demand for spectrum allotted after July 1<sup>st</sup>, 2008 and that too w.e.f, January 1<sup>st</sup>, 2013 in case the spectrum beyond 6.2 MHz was allotted before January 1<sup>st</sup>, 2013. As explained as per the TDSAT orders also no further demand has been raised till now and as per management based on TDSAT direction the demand, if any cannot be more than Rs. 455.15 crores the same is considered as contingent liability.

In view of the above we are not in a position to comment on the correctness of the stand taken by the Holding Company and the ultimate implications of the same on the consolidated financial results for the quarter ended June 30<sup>th</sup>, 2024 of the Holding Company including its joint venture and associate.

- xii) The Holding Company has recovered Electricity Charges from the tenants on which liability for Goods and Services Tax (GST) has not been considered as the expenses have been recovered without installing sub meter in some of the cases. The actual impact of the same on the consolidated financial results for the quarter ended June 30<sup>th</sup>, 2024 has not been ascertained and quantified.
- xiii) The TDS on provision for expenses have not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the consolidated financial results for the quarter ended June 30<sup>th</sup>, 2024, have not been ascertained and quantified.
- xiv) The Holding Company is making provision for interest for late/non-payment to MSME vendors which is subject to deduction of tax under section 194A of Income Tax Act, 1961. The actual impact of the same on the consolidated financial results for the quarter ended June 30<sup>th</sup>, 2024 has not been ascertained and quantified.




- xv) The Holding Company has not recognized loss allowance for trade receivables as per the requirements of Ind AS 109 "Financial Instruments" amounting to Rs. 74.88 crores relating to companies which are under insolvency process and certain trade receivables amounting to Rs. 11.55 pertaining to infrastructure business wherein there is significant increase in credit risk.

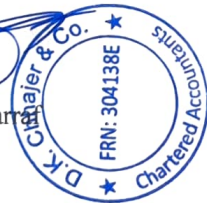
The impact of the aforesaid on the Consolidated Ind-AS financial statements for the quarter ended June 30<sup>th</sup>, 2024 has not been ascertained and quantified.

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

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv) and (xv) on the Consolidated financial result of the Group including its joint venture and associate for the quarter ended June 30<sup>th</sup>, 2024.

For D K Chhajer & Co.  
Chartered Accountants  
FRN: 304138E

  
CA Nand Kishore Sarma  
Partner  
M. No. 510708  
UDIN:24510708BKBMZ6836



Place: Delhi  
Date: August 14<sup>th</sup>, 2024

For B M Chatrath & Co. LLP  
Chartered Accountants  
FRN: 301011E / E300025

  
CA Sanjay Sarkar  
Partner  
M. No. 064305  
UDIN: 24064305BKFEFP2588



Place: Delhi  
Date: August 14<sup>th</sup>, 2024

## 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  
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CIN : L32101DL1986GOI023501

EXTRACT OF UNAUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30/06/2024

(Rs. in Crore)

| Particulars   | STANDALONE                |  |                                | CONSOLIDATED              |  |                                |
|---|---------------------------|--|--------------------------------|---------------------------|--|--------------------------------|
|   | Three Months Ended        |  | Year Ended                     | Three Months Ended        |  | Year Ended                     |
|   | 3 months ended 30/06/2024 | Corresponding 3 months ended 30/06/2023 in the previous year | Previous year ended 31/03/2024 | 3 months ended 30/06/2024 | Corresponding 3 months ended 30/06/2023 in the previous year | Previous year ended 31/03/2024 |
|   | UNAUDITED                 | UNAUDITED  | AUDITED                        | UNAUDITED                 | UNAUDITED  | AUDITED                        |
| 1 Total Income from Operations  | 169.40                    | 184.57   | 728.47                         | 183.85                    | 199.48   | 798.56                         |
| 2 Net Profit/ (Loss) for the period before exceptional items & tax  | (771.82)                  | (850.15)   | (3,302.19)                     | (773.46)                  | (851.93)   | (3,267.71)                     |
| 3 Net Profit/ (Loss) for the period before Tax(after Exceptional items)   | (771.82)                  | (850.15)   | (3,302.19)                     | (773.46)                  | (851.93)   | (3,267.71)                     |
| 4 Net Profit/ (Loss) for the period after Tax   | (771.82)                  | (850.15)   | (3,302.19)                     | (773.46)                  | (851.93)   | (3,267.52)                     |
| 5 Total Comprehensive Income for the period (Comprising net profit/(loss) after tax and other comprehensive income after tax) | (775.63)                  | (851.27)   | (3,317.42)                     | (779.55)                  | (856.78)   | (3,286.68)                     |
| 6 Paid up Equity Share Capital  | 630.00                    | 630.00   | 630.00                         | 630.00                    | 630.00   | 630.00                         |
| 7 Other Equity excluding revaluation reserves   | (25,050.74)               | (22,314.64)  | (24,292.80)                    | (25,035.96)               | (22,332.20)  | (24,274.10)                    |
| 8 Securities Premium Account  | 665.00                    | 665.00   | 665.00                         | 665.00                    | 665.00   | 665.00                         |
| 9 Net Worth   | (24,420.74)               | (21,684.64)  | (23,662.80)                    | (24,405.96)               | (21,702.20)  | (23,644.10)                    |
| 10 Paid up Debt Capital/ Outstanding Debt   | 25,544.83                 | 23,512.31  | 25,794.96                      | 25,544.83                 | 23,512.31  | 25,794.96                      |
| 11 Outstanding Redeemable Preference Shares   | -                         | -  | -                              | -                         | -  | -                              |
| 12 Debt Equity Ratio (In times)   | (1.26)                    | (1.33)   | (1.27)                         | (1.26)                    | (1.33)   | (1.27)                         |
| 13 Earnings Per Share (of Rs. 10 each) for continuing and discontinued operations- (not annualised) (In Rs.)                  |                           |  |                                |                           |  |                                |
| 1. Basic :  | (12.25)                   | (13.49)  | (52.42)                        | (12.28)                   | (13.52)  | (51.87)                        |
| 2. Diluted :  | (12.25)                   | (13.49)  | (52.42)                        | (12.28)                   | (13.52)  | (51.87)                        |
| 14 Capital Redemption Reserve   | -                         | -  | -                              | -                         | -  | -                              |
| 15 Debenture Redemption Reserve   | -                         | -  | -                              | -                         | -  | -                              |
| 16 Debt Service Coverage Ratio (DSCR) (In times)  | 0.09                      | (0.06)   | 0.01                           | 0.09                      | (0.06)   | 0.01                           |
| 17 Interest Service Coverage Ratio (ISCR) (In times)  | 0.12                      | (0.06)   | 0.02                           | 0.13                      | (0.06)   | 0.03                           |

**Notes:**

- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 and 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the website of the company at [www.mtnl.net.in](http://www.mtnl.net.in) and on the Stock Exchange websites at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- The above results have been reviewed by the Audit Committee in their meeting held on 14.08.2024 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- The company has prepared these financial results in accordance with the Companies (Indian Accounting Standards) Rules 2015 prescribed under Section 133 of the Companies Act, 2013.

Place: New Delhi  
Date: 14.08.2024



For and on behalf of the Board

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

