

<b>MAHANAGAR TELEPHONE NIGAM LIMITED</b> ( A Govt.of India Enterprise)						Annexure A
Regd. Office : Jeevan Bharti Building, Tower-1 , 12 th Floor, 124, Connaught Circus, New Delhi-110001						
<b>UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31/12/2010</b>						
(Rs. in Million)						
S.No.	Particulars	3 Months ended 31/12/2010	Corresponding 3 Months ended 31/12/2009 in the previous year	Year to date figures for Current period ended 31/12/2010	Year to date figures for previous year ended 31/12/2009	Year Ended 31/03/2010
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	2	3	4	5	6	7
1	(a) Net Income from Operations	9,225.22	9,149.07	29,290.95	28,061.75	36,561.00
	(b) Other Operating Income	287.06	202.66	571.04	640.12	1,249.03
	<b>Total Income</b>	<b>9,512.28</b>	<b>9,351.74</b>	<b>29,861.99</b>	<b>28,701.87</b>	<b>37,810.03</b>
2	<b>Expenditure</b>					
	(a1) Staff Cost other than retirement benefits	4,781.88	3,202.96	12,790.52	10,076.65	19,681.41
	(a2) Staff Cost for retirement benefits (Actual payouts)	750.96	761.91	2,440.61	1,874.93	2,610.53
	(a3) Staff Cost for retirement benefits (Provisions)	2,595.67	9,334.60	7,907.00	11,680.16	27,370.56
	(b) Revenue Sharing	1,186.43	1,458.37	3,392.17	4,359.53	5,256.78
	(c) Licence Fees & Spectrum Charges	908.41	1,050.99	2,648.81	3,169.68	4,105.72
	(d) Admn./Operative Expenditure	2,240.93	2,150.87	6,541.36	6,074.40	8,134.74
	<b>Total Expenditure</b>	<b>12,464.29</b>	<b>17,959.70</b>	<b>35,720.48</b>	<b>37,235.35</b>	<b>67,159.74</b>
3	<b>Earnings from Operations before Other Income, Interest, Depreciation &amp; Amortisation &amp; Exceptional Items (1-2)</b>	<b>(2,952.00)</b>	<b>(8,607.96)</b>	<b>(5,858.48)</b>	<b>(8,533.48)</b>	<b>(29,349.72)</b>
4	Depreciation & Amortisation	3,606.31	1,821.08	10,479.89	5,347.52	17,594.94
5	<b>Profit / (Loss) from Operations after Depreciation &amp; Amortisation but before Other Income, Interest &amp; Exceptional Items (3-4)</b>	<b>(6,558.31)</b>	<b>(10,429.04)</b>	<b>(16,338.37)</b>	<b>(13,880.99)</b>	<b>(46,944.66)</b>
6	Other Income	1,167.94	1,007.32	2,109.55	4,149.83	12,768.20
7	<b>Profit / (Loss) before Interest &amp; Exceptional Items (5+6)</b>	<b>(5,390.37)</b>	<b>(9,421.72)</b>	<b>(14,228.82)</b>	<b>(9,731.16)</b>	<b>(34,176.46)</b>
8	Interest	1,359.83	0.16	3,076.37	6.15	12.61
9	<b>Profit / (Loss) after Interest but before Exceptional Items (7-8)</b>	<b>(6,750.20)</b>	<b>(9,421.88)</b>	<b>(17,305.19)</b>	<b>(9,737.31)</b>	<b>(34,189.07)</b>
10	Exceptional Items	-	-	-	-	-
11	<b>Profit / (Loss) from ordinary activities before tax (9-10)</b>	<b>(6,750.20)</b>	<b>(9,421.88)</b>	<b>(17,305.19)</b>	<b>(9,737.31)</b>	<b>(34,189.07)</b>
12	<b>Tax expense</b>					
	a. Provision for Current Tax	0.46	(212.14)	1.37	86.01	1.82
	b. Taxes for earlier period written back/paid	-	-	-	-	(4,879.71)
	b. Provision for Deferred Tax	-	(261.51)	-	(668.33)	(3,552.96)
13	<b>Net Profit/ (Loss) from ordinary activities after tax (11-12)</b>	<b>(6,750.66)</b>	<b>(8,948.22)</b>	<b>(17,306.56)</b>	<b>(9,154.98)</b>	<b>(25,758.22)</b>
14	Extraordinary Items /Prior Period Adj.(net of tax )	(40.20)	251.50	(32.84)	256.07	351.50
15	<b>Net Profit/ (Loss) for the period (13-14)</b>	<b>(6,710.46)</b>	<b>(9,199.72)</b>	<b>(17,273.72)</b>	<b>(9,411.05)</b>	<b>(26,109.72)</b>
16	<b>Paid up equity share capital (Face value of Rs.10/-each.)</b>	<b>6,300.00</b>	<b>6,300.00</b>	<b>6,300.00</b>	<b>6,300.00</b>	<b>6,300.00</b>
17	<b>Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>					<b>111,714.10</b>
18	<b>Earning Per Share (EPS)</b>					
	(a) Basic and Diluted EPS before Extraordinary items for the period	(10.72)	(14.20)	(27.47)	(14.53)	(40.89)
	(b) Basic and Diluted EPS after Extraordinary items for the period	(10.65)	(14.60)	(27.42)	(14.94)	(41.44)
19	<b>Public Shareholding</b>					
	a) Number of shares	275,627,260	275,627,260	275,627,260	275,627,260	275,627,260
	b) Percentage of shareholding	43.75%	43.75%	43.75%	43.75%	43.75%
20	<b>Promoter and promoter group Shareholding</b>					
	<b>a) Pledged/Encumbered</b>					
	- Number of shares	0	0	0	0	0
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
	<b>b) Non encumbered</b>					
	- Number of shares	354,372,740	354,372,740	354,372,740	354,372,740	354,372,740
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	56.25%	56.25%	56.25%	56.25%	56.25%

**Notes:**

- The above results have been reviewed and recommended for adoption by the Audit Committee in their meeting held on 11.02.2011 and approved by the Board of Directors of the Company at their meeting held on 11.02.2011. The Statutory Auditors have carried out a Limited Review of the financial results as required under Clause-41 of the Listing Agreement.
- The above results have been finalised considering for retirement benefits, discounting factor @ 8.50% in accordance with the yield of Central Government Securities, 4% increase in Dearness Relief of Pension, 3.50% on salary escalation and 0.50% on attrition rates as confirmed by the Actuary, based on revised wages and salaries and retirement benefits i.e. 20 years instead of 33 years for the purpose of full pension.
- One time charges on account of 3G spectrum and BWA liability of Rs.110979.70 million has been accounted for as Intangible assets as per AS-26 & amortized over 20/15 years respectively on straight line basis. Accordingly, amount of Rs.1576.15 million is amortized for the quarter ending 31.12.2010.
- An amount of Rs.3260.00 million is accounted for by MTNL towards wet lease for infrastructure and other services provided by MTNL in respect of Commonwealth Games during the year. This includes Rs.840.00 million accounted for during the current quarter.
- Deferred Tax Assets (DTA) accrued has not been accounted for on grounds of doubts on virtual certainty of availability of sufficient taxable income in the future.
- Previous period/year figures have been regrouped/ rearranged wherever necessary.
- The status of investor complaints received and disposed off during this quarter ended on 31/12/2010 is as under:

Complaints pending at the beginning of the quarter	-
Complaints received during this quarter	3
Complaints disposed off during this quarter	3
Complaints lying unresolved at the end of the quarter	-

As per report of even date

For and on behalf of the Board

For Bansal Sinha & Co.  
Chartered Accountants

For Goel Garg & Co.  
Chartered Accountants

Kuldip Singh  
Chairman & Managing Director