

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
UP RAJYA VIDYUT UTPADAN NIGAM CONTRIBUTORY PROVIDENT FUND TRUST
(Private & Confidential –For Private Circulation Only)



MAHANAGAR TELEPHONE NIGAM LIMITED
(MTNL)
(A GOVERNMENT OF INDIA ENTERPRISE)

CIN: L32101DL1986GOI023501 **PAN:** AAACM0828R
Date and Place of Incorporation: 28.02.1986 and Delhi
LEI NO.: 335800WPNZ3ELJCQ3U26
Regd. & Corporate Office Address: Mahanagar Doorsanchar Sadan, 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi - 110003
Tele No. : 011-24319020 **Fax No. :** 011-24324243
Compliance Officer/Company Secretary: Mr. S. R SAYAL
Contact No. 011-24319020
Website : www.mtnl.in, **Email ID :** mtnlcsco@mtnl.in
Chief Financial Officer: Ms. Yojana Das
Contact No.: 011-24321095, **Email ID:** dirfin@mtnl.in

Promoter The President of India acting through the Ministry of Communications, Government of India

Placement Memorandum (Tranche 2) dated 30th November 2022

5000 Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, and Taxable bonds in the nature of debentures of the face value of Rs. 10 lakh each for cash at par for Rs 500 Cr ("**Base Issue**") with option to retain oversubscription upto 22579 Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, and Taxable bonds in the nature of debentures of the face value of Rs. 10 lakh each for cash at par for Rs 2,257.90 cr ("**Green Shoe**") an amount aggregating to Rs. 2,757.90 cr by Mahanagar Telephone Nigam Limited ("**MTNL**") / "**The Issuer**".

This Placement Memorandum (Tranche 2) is issued under Shelf Placement Memorandum dated 03rd November 2022, 109100 Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, and Taxable bonds in the nature of debentures of the face value of Rs. 10 lakh each for cash at par aggregating to Rs 10,910 Cr (to be issued in tranches including Green shoe option to retain over subscription). All the terms, conditions, information and stipulations contained in the Shelf Placement Memorandum are incorporated herein. This Placement Memorandum must be read in conjunction with the Shelf Placement Memorandum and the Private Placement Offer Cum Application Letter. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Shelf Placement Memorandum.

Debenture Trustee		BEACON TRUSTEESHIP LIMITED Contact Person: Mr. Kaustubh Kulkarni (Director) Address: 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (East), Mumbai 400 051, Telephone : 022-26558759 Website: https://beacontrustee.co.in/ E-mail: compliance@beacontrustee.co.in SEBI Registration Number: IND000000569
Credit Rating Agencies		CARE Ratings Limited Contact Person: Mr. Maulesh Desai, Director – Corporate Ratings Address: 4th Floor, Godrej Coliseum, Somiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai – 400022 Website: www.careratings.com Email Id: Maulesh.Desai@careedge.in Telephone: 91-9925139180 SEBI Registration Number: IN/CRA/004/1999
		INDIA RATINGS & RESEARCH PRIVATE LIMITED Contact Person: Ms. Arunima Basu (Compliance Officer) Address: Wockhardt Towers, 4 th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Telephone: (+91 22) 4000 1700 Email Id infogrp@indiaratings.co.in Website: www.indiaratings.co.in
Registrar to the Issue		Beetal Financial & Computer Services (P) Ltd Contact Person: Mr. Punit Mittal General Manager Address: 03 rd Floor, Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062 Tel No.: 011-2996 1281 Fax No.: 011-2996 1284 Email: beetalrta@gmail.com Website: www.beetalfinancial.com

Issue Schedule	Date of Opening of the Issue	Date of Closing of the Issue	Date of earliest closing of the Issue, if any
	30 th November 2022	30 th November 2022	NA

The Credit rating obtained for the issue

CARE AAA (CE) - Press Release dated 03 rd November 2022	IND AAA (CE) - Press Release dated 01 st November 2022
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Stock Exchange to the issue	The Debentures are proposed to be listed on debt market segment of the BSE Limited ("BSE") . The BSE have granted in-principle approval for listing by letters dated November 04 th , 2022.
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Eligible Investors to the issue	(a) Qualified Institutional Buyers (QIBs), as defined in the under Regulation 2 (ss) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and (b) Any non-QIB investor including arranger(s), who are authorized to invest/to participate in the issue through an Electronic Book Mechanism of BSE (BSE BOND –EBP). Also, offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022))
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Coupon Rate	Coupon Payment Frequency	Redemption Date	Redemption Amount
7.87 %	Half Yearly	01 st December 2032	Rs. 10 Lakh for each Debenture

Underwriting of the issue The issue is not under written

Inclusion of compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform,	This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and neither is an offer or invitation under section 42 of the Companies Act 2013, being made under this placement memorandum. This placement memorandum is uploaded on the BSE electronic book provider platform and an offer will be made to successful identified investors acceptable to the issuer which are issued a serially numbered and specifically addressed placement memorandum and accompanying application form after completion of the electronic bidding.
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Issuer's Absolute Responsibility

“The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.”

This Issue is being made in conformity with the Companies Act, 2013, as amended, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, **(“NCS Regulations”)**, Form PAS-4 prescribed under Section 42 and Rule 14 (3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, and is a placement memorandum for the purposes of the NCS Regulations.

Also, offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022))

This issue would be under the electronic book mechanism for issuance of debt securities on private placement basis on the Wholesale Debt Market segment of the BSE in accordance and compliance with the Operational Circular for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper Dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended **(“SEBI Operational Circular”)**. The company intends to list the debentures on BSE and use the BSE Bond platform for this issue.

This Placement memorandum is being uploaded on the BSE Bond platform on **November 30th, 2022**.

THESE DEBENTURES TO BE ISSUED DO NOT FORM PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.

Particulars	Day and Date
Issue Opening Date	Wednesday, 30 th November 2022
Issue Closing Date	Wednesday, 30 th November 2022
Pay In Date	Thursday, 01 st December 2022
Deemed Date of Allotment	Thursday, 01 st December 2022

******- The Issuer reserves the right to extend or close the Issue earlier from the aforesaid dates or change the Issue schedule including the Deemed Date of Allotment at its sole and absolute discretion, without giving any reasons or prior notice.

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*** Definitions/ ABBREVIATIONS**

“MTNL”/ “Company”/ “Issuer”	“ MAHANAGAR TELEPHONE NIGAM LIMITED ” a public limited company incorporated under Companies Act, 1956.
Allotment/Allot/ Allotted	The issue and allotment of the Debentures to successful Applicants in relation to the Issue
Application	An application to subscribe to the Debentures offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Money by any of the modes as prescribed under this Placement Memorandum.
Application Form	The form in terms of which the Eligible Investors shall make an offer to subscribe to the Debentures and which will be considered as the Application for Allotment of Debentures in terms of this Placement Memorandum.
Application Money	The aggregate value of the Debentures applied for, as indicated in the Application Form for the Issue.
Arrangers to the Issue	Arrangers to the issue are the entities as listed in this Placement Memorandum.
Articles	The articles of association of the Issuer
Beneficial Owner(s)	Debenture Holder(s) holding Debenture(s) in dematerialized form (Beneficial Owner of the Debenture(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996)
BSE	BSE Limited
CARE	CARE Ratings Limited
CDSL	Central Depository Services (India) Limited
Clearing Corporation/ICCL	Indian Clearing Corporation Ltd.
CIN	Corporate Identity Number
Coupon or Interest	The interest payable on such Debentures for each relevant interest period on the respective principal amounts or so much thereof as is outstanding from time to time, at such interest rate (Coupon Rate/Interest Rate) as may be discovered through the Electronic Book Mechanism or the fixed rate of interest indicated by the Issuer.
Companies Act, 1956	The Companies Act, 1956 along with the rules made thereunder, as amended from time to time (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act, 2013	The Companies Act, 2013 along with the rules made thereunder, to the extent in force pursuant to the notification of the Notified Sections and as amended from time to time.
Debentures	5000 Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, and Taxable bonds in the nature of debentures of the face value of Rs. 10 lakh each for cash at par for Rs 500 cr (“ Base Issue ”) with option to retain oversubscription upto 22579 Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, and Taxable bonds in the nature of debentures of the face value of Rs. 10 lakh each for cash at par for Rs 2,257.90 cr (“ Green Shoe ”) an amount aggregating to Rs. 2,757.90 cr offered through Private Placement route under the terms of this Placement Memorandum
Debenture Holder	Any person holding the Debentures and whose name appears in the list of Beneficial Owners provided by the Depositories or whose name appears in the register of Debenture Holders maintained by the Issuer/ Registrar
Debenture Trustee/ Trustee to the Issue	BEACON TRUSTEESHIP LIMITED
Debenture Trusteeship Appointment Agreement	The debenture trustee agreement dated 20th October 2022 entered into between the Issuer and the Debenture Trustee for appointing the Debenture Trustee
Debenture Trust Deed	The debenture trust deed to be entered into between the Debenture Trustee and the Issuer within the prescribed timelines

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Depository(ies)	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Designated Stock Exchange	BSE Limited
DP	Depository Participant
EBP	“Electronic Book Platform” or “EBP” means a recognized stock exchange or a recognized depository which, pursuant to obtaining approval from SEBI, provides an electronic platform for the private placement of securities.
FY	Financial Year
India Ratings	India Ratings & Research Private Limited
ISIN	International Securities Identification Number
ISIN Circulars	SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017, as amended (“First ISIN Circular”) and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018, as amended (“Second ISIN Circular”, together with the First ISIN Circular, the “ISIN Circulars”).
Issue/Offer/Offering	Placement Memorandum of 5000 Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, and Taxable bonds in the nature of debentures of the face value of Rs. 10 lakh each for cash at par for Rs 500 Cr (“Base Issue”) with option to retain oversubscription upto 22579 Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, and Taxable bonds in the nature of debentures of the face value of Rs. 10 lakh each for cash at par for Rs 2,257.90 cr (“Green Shoe”) an amount aggregating to Rs. 2,757.90 cr
₹ / INR/ Rupees/ Rs.	Indian National Rupee
Listing Agreement	Listing agreement under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015, issued vide Circular No. SEBI/LADNRO/ GN/2015-16/013 dated September 02, 2015, as amended from time to time.
NSDL	National Securities Depository Limited
IT Act	The Income Tax Act, 1961 (as amended from time to time)
Placement Memorandum	A document including shelf placement memorandum filed with the stock exchange (s) in relation to an issue of non-convertible securities to be issued on a private placement basis as per SEBI (ILNCS) Regulations 2021. The term Offer Document and Information Memorandum inter alia used anywhere in this document and other transactional document attached to this issuance means Placement Memorandum only. Also, Tranche Placement Memorandum issued under the Shelf Placement Memorandum is also Placement Memorandum.
PAS 4	Private Placement Offer Letter as per section 42 of Companies Act 2013 and Private Placement Offer cum Application Letter as per Rules 14 (3) of Companies (Prospectus and Securities) Rules 2014.
PAN	Permanent Account Number
QIB	As defined under Regulation 2 (ss) of SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 “Qualified Institutional Buyer” means: (i) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the Board; (ii) [foreign portfolio investor other than individuals, corporate bodies and family offices]; (iii) a public financial institution; (iv) a scheduled commercial bank;

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	(v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority of India; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India; and (xiii) Systemically important non-banking financial companies.
REF	Recovery Expense Fund
Registrars to the Issue/ Registrar & Transfer Agent	Beetal Financial & Computer Services (P) Ltd.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)
SEBI EBM Guidelines	Guidelines contained in Chapter VI of the Operational Circular for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 issued by SEBI, as amended from time to time.
SEBI Operational Circular	Operational Circular for Issue and Listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued by SEBI vide circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.
SEBI NCS Regulations	SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, bearing reference number SEBI/LAD-NRO/GN/2021/39, dated August 09, 2021, as amended from time to time.
TDS	Tax Deducted at Source as per the provisions of the Income Tax Act and rules there under modified from time to time.
WDM	Wholesale Debt Market

**** DISCLAIMERS**

DISCLAIMER OF THE ISSUER

This placement memorandum is neither a Prospectus nor is a Statement in Lieu of Prospectus and this Placement Memorandum is prepared and issued in conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015, issued vide circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02 2015 and Section 42, 71 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended from time to time (the **“Placement Memorandum”**) for issuance of debt securities on Placement Memorandum basis in accordance with SEBI Operational Circular Dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, SEBI Operational Circular Dated March 22, 2022 bearing reference number SEBI/HO/DDHS/P/CIR/2021/031, SEBI Operational Circular Dated July 29, 2022 bearing reference number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103, as amended and other SEBI circulars issued by SEBI in this regard from time-to-time (**“SEBI Circular”**). This Placement Memorandum does not constitute an offer to public in general to subscribe for or otherwise acquire the Debentures to be issued by the Issuer. This Placement Memorandum is for the exclusive use of the addressee and restricted for only the intended recipient and it should not be circulated or distributed to third party (ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Debentures issued by the Issuer. This Debenture Issue is made strictly on Placement Memorandum basis. Apart from Placement Memorandum and Offer Letter, no offer document or prospectus has been prepared in connection with the offering of this Debenture Issue or in relation to the Issuer.

The Company has also prepared Private Placement Offer cum Application Letter in PAS-4 format under Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time. Also, offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022))

This Placement Memorandum is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Debentures issued by the Issuer. Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation nor should any recipient of this Placement Memorandum consider such receipt a recommendation to purchase any Debentures. This Placement Memorandum has been prepared to give general information regarding the Issuer to parties proposing to invest in this Issue of Debentures and it does not purport to contain all the information that any such party may require. The Issuer believes that the information contained in this Placement Memorandum is true and correct as of the date hereof. The Issuer does not undertake to update this Placement Memorandum to reflect subsequent events and thus

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prospective subscribers must confirm about the accuracy and relevancy of any information contained herein from the Issuer. However, the Issuer reserves its right for providing the information at its absolute discretion. The Issuer accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility. Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in debentures. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Debentures. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Debentures under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Debentures. Nothing in this Placement Memorandum should be construed as advice or recommendation by the Issuer or by the Arranger to the Issue to subscribers to the Debentures. The prospective subscribers also acknowledge that the Arranger to the Issue does not owe to the subscribers any duty of care in respect of this Placement Memorandum offer to subscribe for the Debentures. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Debentures and matters incidental thereto.

Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstances. It is the responsibility of investors to also ensure that they will sell these Debentures in strict accordance with this Placement Memorandum and other applicable laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Placement Memorandum or have any responsibility to advise any investor or potential investor in the Debentures of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

The Company confirms that, as of the date hereof, this Placement Memorandum contains information that is accurate in all material respects and does not contain any untrue statement of a material fact, or omits to state any material fact, necessary to make the statements herein that would be, in the light of circumstances under which they are made, not misleading. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. The intermediaries and their agents or advisors associated with this issue have not separately verified the information contained herein. Accordingly, no

representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such intermediary as to the accuracy or completeness of the information contained in this Placement Memorandum or any other information provided by the Company. Accordingly, all such intermediaries associated with this issue shall have no liability in relation to the information contained in this Placement Memorandum or any other information provided by the company in connection with the issue.

Placement Memorandum is not intended for distribution. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient and the contents of this Placement Memorandum shall be kept utmost confidential. The securities mentioned herein are being issued on Placement Memorandum basis and this offer does not constitute a public offer/ invitation. The Issuer reserves the right to withdraw the Placement Memorandum of the Debenture Issue prior to the Issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

This Placement Memorandum has not been filed with SEBI. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum. It is to be distinctly understood that this Placement Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Placement Memorandum. The Issue of Debentures being made on Placement Memorandum basis, filing of this Placement Memorandum is not required with SEBI. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Placement Memorandum.

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Placement Memorandum has not been approved by Securities & Exchange Board of India (SEBI). The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum. It is to be distinctly understood that Placement Memorandum/ Offer Letter should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in Placement Memorandum/Offer Letter.

Pursuant to Rule 14 (3) a Private Placement Offer cum Application Letter shall be in the form of an application in Form PAS-4 serially numbered and addressed specifically to the person to whom the offer is made and shall be sent to him, either in writing or in electronic mode, within thirty days of

recording the name of such person pursuant to sub-section (3) of section 42 of Companies Act, 2013. Pursuant to Rule 14 (4) the company shall maintain a complete record of Placement Memorandum offers in Form PAS-5.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Placement Memorandum has been submitted to the **“BSE Limited”**. (Here-in-after referred to as **“BSE”**) for hosting the same on its website. It is to be distinctly understood that such submission of the Placement Memorandum with BSE or hosting the same on its website should not in any way be deemed or construed that the Placement Memorandum has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum ; nor does it warrant that the Issuer’s securities will be listed or continue to be listed on the Stock Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

The issuer has prepared this Placement Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in this Placement Memorandum has been provided by the issuer or is publicly available information. Arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Placement Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Placement Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Placement Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Placement Memorandum. However, you are not to construe the contents of this Placement Memorandum as investment, legal, accounting, regulatory or tax advice, and You should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

DISCLAIMER IN RESPECT OF JURISDICTION

The Placement Memorandum of Debentures is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ byelaws to hold Debentures in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and

Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Placement Memorandum does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Placement Memorandum comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of courts and tribunals of Delhi. All information considered adequate and relevant about the Issuer has been made available in this Placement Memorandum for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.

DISCLAIMER OF THE ARRANGER TO THE ISSUE

It is advised that the Issuer has exercised self-due-diligence to ensure complete compliance of prescribed disclosure norms in this Placement Memorandum. The role of the Advisors and Arranger to the Issue (collectively referred to as “Arranger”/ “Arranger to the Issue”) in the assignment is confined to marketing and placement of the Debentures on the basis of this Placement Memorandum as prepared by the Issuer. The Arranger have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Placement Memorandum. The Arranger shall use this Placement Memorandum for the purpose of soliciting subscription from a particular class of eligible investors in the Debentures to be issued by the Issuer on Placement Memorandum basis. It is to be distinctly understood that the aforesaid use of this Placement Memorandum by the Arranger should not in any way be deemed or construed that the Placement Memorandum has been prepared, cleared, approved or vetted by the Arranger; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum ; nor do they take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. Arranger is not responsible for compliance of any provision of the Companies Act. The Arranger or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damages of whatsoever nature arising out of and in connection with the use of any of the information contained in this Placement Memorandum.

DISCLAIMER BY DEBENTURE TRUSTEE

The debenture trustee is not a guarantor and will not be responsible for any non-payment of interest and redemption and/or any loss or claim.

DISCLAIMER IN RESPECT OF CREDIT RATING

The rating for the Securities under Issue is dual rated which is “IND AAA (CE)” with “Stable” Outlook by India Ratings as per rating letter dated 01st November 2022 and “CARE AAA (CE)” with “Stable” Outlook by CARE Ratings as per rating letter dated 03rd November 2022. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at

any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information, etc.

This Placement Memorandum prepared under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, for Placement Memorandum of the Debentures is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debt securities to be issued by the Company. This is only an information brochure intended for private use.

****LIST OF DOCUMENTS TO BE FILED WITH THE STOCK EXCHANGE**

The Issuer shall file the following disclosures along with the listing application to the stock exchange:

- A. Copy of last three years audited Financial Statements.
- B. Copy of the Board Resolution/AGM authorizing the borrowing and list of authorized signatories.
- C. Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the Designated Stock exchange, where the Debentures have been listed.
- D. Statement containing particular of, date of, and parties to all material contracts and list of authorised signatories.
- E. Post listing of securities, information in requisite fields will be provided in Annexure XIV-B as and when necessary as required vide SEBI Operational Circular Dated March 22, 2022 bearing reference number SEBI/HO/DDHS/P/CIR/2021/031
- F. All other information in the formats as applicable vide SEBI Operational Circular Dated July 29, 2022 bearing reference number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103,
- G. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

**** LIST OF DOCUMENTS TO BE DISCLOSED TO THE DEBENTURE TRUSTEE**

The Issuer shall submit the following to the Debenture Trustee in electronic form (soft copy) at the time of allotment of the Debentures:

- A. Copy of last three years' audited Financial Statements;
- B. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- C. Latest Audited/ Limited Review Half Yearly/ Quarterly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any;
- D. An undertaking to the effect that the Issuer would, till the redemption of the Debentures, submit the details mentioned in point (C) above to the Debenture Trustee within the timelines as mentioned in Securities and Exchange Board of India (Issue and Listing of

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Non-Convertible Securities) Regulations, 2021 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Debenture holders within two working days of their specific request. SEBI vide its circular no. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 provide relaxation upto December 31, 2022 from the requirement of Regulation 58 (1) (b) of listing regulations. (Exception to send soft copies only upto 31/12/2022 and afterwards hard copies to be sent directly to debenture holders). Hard copies of full annual reports will be sent to those Debenture Holders who request for the same after 31/12/2022 as SEBI allowed to send soft copies only upto 31/12/2022; Soft copies of full annual reports to be sent to all NCD holders who have registered their email with issuer or depository

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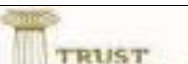
***** ISSUER INFORMATION - NAME AND ADDRESS OF THE FOLLOWINGS:**

SR. No	PARTICULARS	:	DETAILS
(i)	REGISTERED OFFICE OF THE ISSUER		
	• Name	:	Mahanagar Telephone Nigam Limited
	• CIN	:	L32101DL1986GOI023501
	• Address	:	Mahanagar Doorsanchar Sadan, 05 th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
	• Tele No	:	011-24319020
	• Fax No	:	011-24324243
	• Email	:	mtnlcsco@gmail.com
	• Website	:	http://mtnl.in/
	• Date and place of Incorporation	:	28.02.1986 Delhi
	• PAN	:	AAACM0828R
(ii)	CORPORATE OFFICE OF THE ISSUER		
	• Name	:	Mahanagar Telephone Nigam Limited
	• Address	:	Mahanagar Doorsanchar Sadan, 05 th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
	• Tele No	:	011-24319020
	• Fax No	:	011-24324243
	• Email	:	mtnlcsco@mtnl.in , mtnlcsco@gmail.com
	• Website	:	http://mtnl.in/
(iii)	COMPLIANCE OFFICER OF THE ISSUER		
	• Name	:	Mr. S. R. Sayal
	• Address	:	Mahanagar Doorsanchar Sadan, 05 th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
	• Tele No	:	011-24319020
	• Email	:	mtnlcsco@mtnl.in , mtnlcsco@gmail.com
	• Website	:	http://mtnl.in/
(iv)	CHIEF FINANCIAL OFFICER OF THE ISSUER		
	• Name	:	Ms. Yojana Das
	• Address	:	Mahanagar Doorsanchar Sadan, 05 th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
	• Tele No	:	011-24321095
	• Email	:	dirfin@mtnl.in
	• Website	:	http://mtnl.in/
(v)	DEBENTURE TRUSTEE OF THE ISSUE		
	• Logo	:	
	• Name	:	BEACON TRUSTEESHIP LIMITED
	• Address	:	4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (East), Mumbai 400 051
	• Tele No	:	022-26558759
	• Email	:	compliance@beacontrustee.co.in
	• Website	:	https://beacontrustee.co.in/
	• Contact Person	:	Mr, Kaustubh Kulkarni

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(vi) REGISTRAR TO THE ISSUE		
• Logo	:	
• Name	:	Beetal Financial & Computer Services (P) Ltd.
• Address	:	03 rd Floor, Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062
• Tele No	:	011-2996 1281 - 82
• Fax No	:	011-2996 1284
• Email	:	beetalrta@gmail.com
• Website	:	www.beetalfinancial.com
• Contact Person	:	Shri Punit Mittal
(vii) CREDIT RATING AGENCIES		
A Logo	:	
• Name	:	CARE Ratings Limited
• Address	:	4th Floor, Godrej Coliseum, Somiaya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai – 400022
• Tele No	:	91-9925139180
• Email	:	Maulesh.Desai@careedge.in
• Website	:	https://www.careratings.com/
• Contact Person	:	Mr. Maulesh Desai, Director – Corporate Ratings
B Logo	:	
• Name	:	INDIA RATINGS & RESEARCH PRIVATE LIMITED
• Address	:	Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051,
• Tele No	:	(+91 22) 4000 1700
• Email	:	infogrp@indiaratings.co.in
• Website	:	www.indiaratings.co.in
• Contact Person	:	Ms. Arunima Basu (Compliance Officer)
(viii) STATUTORY AUDITOR OF THE ISSUER		
• Name	:	M/s SCV & Co. LLP
• Address	:	B-41, Panchsheel Enclave, New Delhi – 110017,
• Tele No	:	011-26499111, 222/444/555
• Name	:	M/s SPMG & CO
• Address	:	3322A, 2nd Floor, Bank Street, Karol Bagh, New Delhi-110005
• Tele No	:	011- 28728769, 28727385
(x) ARRANGERS TO THE ISSUE		
1 Logo	:	
• Name	:	ICICI Bank Ltd.
• Address	:	ICICI Bank LTD, Service Centre NBCC PALACE, BHISM PITAMAH MARG PRAGATI VIHAR, NEW DELHI - 110003
• Tele No	:	011-42218244
• Fax No	:	
• Email	:	merchantbanking@icicibank.com gmgfixedincome@icicibank.com
• Website	:	www.icicibank.com
• Contact Person	:	Kunal Narang

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2	Logo	:	
	• Name	:	ICICI Securities Primary Dealership Limited
	• Address	:	501 – B First International Financial Centre, Plot No- C-54 & 55 G Block, Bandra Kurla Complex, Bandra East, Mumbai-400098
	• Tele No	:	011 24369989 / +91 9810444388
	• Fax No	:	
	• Email	:	Ashutosh.garg@isecpd.com
	• Website	:	https://www.icicisecuritiespd.com/
	• Contact Person	:	Ashutosh Garg
3	Logo	:	
	• Name	:	PNB GILTS LIMITED
	• Address	:	4th Floor, PNB House, Sir P.M. Road, Fort, Mumbai – 400001
	• Tele No	:	022-22691810/9987049089
	• Fax No	:	
	• Email	:	mumbai@pnbgilts.com
	• Website	:	www.pnbgilts.com
	• Contact Person	:	Uttam Kumar Saha
4	Logo	:	
	• Name	:	HDFC Bank Limited
	• Address	:	HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400013
	• Tele No	:	022 66521006/4155
	• Fax No	:	
	• Email	:	trops.investments@hdfcbank.com
	• Website	:	www.hdfcbank.com
	• Contact Person	:	Gaurav Shah
5	Logo	:	
	• Name	:	A. K. Capital Services Limited
	• Address	:	910, 9th Floor, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi - 110 001, India.
	• Tele No	:	+91-11-23739628
	• Fax No	:	
	• Email	:	pankaj.agrawal@akgroup.co.in ; akcapitals@gmail.com
	• Website	:	www.akgroup.co.in
	• Contact Person	:	Mr. Pankaj Agrawal, Director
6	Logo	:	
	• Name	:	Trust Investment Advisors Private Limited
	• Address	:	109/110, 1st Floor, Balarama, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
	• Tele No	:	+91 022 4084 5000
	• Fax No	:	
	• Email	:	mbd.trust@trustgroup.in
	• Website	:	www.trustgroup.in
	• Contact Person	:	Sanjeev Jain

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I. Brief summary of business/ activities of company and its subsidiaries with details of branches or units if any and its line of business containing at least following information:-

a) OVERVIEW:-

MTNL was setup on 1st April, 1986 by the Government of India to upgrade the quality of telecom services, expand the telecom network, introduce new services and to raise revenue for telecom development needs of India's key metro cities of Delhi & Mumbai. MTNL is the principal provider of fixed-line telecommunication service in the two Metropolitan Cities of Delhi and Mumbai. It offers mobile services in the city of Delhi including four peripheral towns Noida, Gurgaon, Faridabad & Ghaziabad and the Mumbai city along with the areas falling under the Mumbai Municipal Corporation, New Mumbai Corporation and Thane Municipal Corporation. It also offers FTTH services.

The Authorized Capital of the Company is Rs. 10,000 Crore distributed as follows:

Particulars	Number of Securities	Aggregate Nominal Value (in Rs. Cr)
<u>Authorized Capital</u>		
Equity Share (Rs 10/-share)	3,500,000,000	3,500.00
Preference Share (Rs 100/- share)	650,000,000	6,500.00
<u>Issued Capital</u>		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL
<u>Subscribed Capital</u>		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL
<u>Paid up Capital</u>		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL

At present, 56.25% equity shares are held by President of India & her nominees and remaining 43.75% shares are held by FIIs, Financial Institutions, Banks, Mutual Funds and others including individual investors. MTNL has been given Navratna status in 1997 and was listed in New York Stock Exchange in 2001 and delisted in 01.01.2013.

In more than two decades of its operations, there has been all-round development & growth and improved operational efficiency. Presently, MTNL is providing a host of telecom services that include fixed telephone service, GSM (including 3G services) & Internet, Broadband, ISDN, FTTH and Leased Line services. MTNL has been in the forefront of offering state of the art technology based telecommunications services to its customer's at most affordable prices. MTNL has been the first to launch some of the latest telecom technologies in the country like ADSL2+ & VDSL2 in broadband and 3G Mobile service.

MTNL is proud to be associated with the Common Wealth Games (CWG)-2010 as its Official Telecom Partner to set up a world class communication infrastructure to meet out the broadcast and telecom requirement of the event. It's a matter of great prestige for MTNL to associate with a global sporting

event of this magnitude and significance and to showcase the world, India's capability to setup best possible all round infrastructure.

To meet the broadcast and other requirement such as carrying of High Definition TV stream, games data, security requirements etc. The salient features of Telecom infrastructure were specially created by MTNL for CWG-2010 in less than a year time frame.

After completion of the games the network elements are used to strengthen / augment the exiting IP / MPLS backbone networks of MTNL in Delhi & Mumbai enabling MTNL to meet all its current and future requirements as well as to facilitate it to provide wholesale bandwidth connectivity to other telecom operators, Banks, Corporate Houses and various other Govt. Agencies on lease or rental basis support.

MTNL is providing telecommunications beyond boundaries through its Joint Ventures and Subsidiaries. MTNL is present in Nepal through its Joint Venture United Telecom Limited (UTL) and in Mauritius through its 100% subsidiary Mahanagar Telephone Mauritius Limited (MTML).

In the past 36 years, the company has taken rapid strides to emerge as India's leading and one of Asia's largest telecom operating companies. Besides having a strong network, MTNL has maintained customer base of 5.34 million as on 30th September, 2022.

The company has also been in the forefront of technology induction by converting 100% of its telephone exchange network into the state-of-the-art digital mode.

MTNL is listed on the Indian Stock Exchanges i.e., National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and its applications for delisting from Delhi, Kolkata and Madras Stock exchanges are pending.

Telecommunication and Telecommunication Services has been notified in the Harmonized Master List of Infrastructure sub sectors. (Please refer Annexure I of Gazette Notification, Ministry of Finance dated October 11, 2022)

MISSION:

Committed to remain market leader in providing world class Telecom and IT related services at affordable prices and to achieve international Standards in all aspects.

VISION:

To be a leading integrated player in telecom, diversifying into related business in order to expand significantly, keeping customer delight as the aim

OBJECTIVES:

- To expand customer base and services.
- To provide latest technology and services to the customers, at affordable prices.
- To achieve the highest level of customer satisfaction and delight.

- To diversify in other areas for providing telecom services at national and international levels.
- To provide convergence of Telecom, Information Technology and related services.
- To improve productivity by training and redeployment of man-power.
- To work for social benefits.

CORPORATE GOVERNANCE

At present, MTNL Board consists of Eleven Directors which includes four functional directors, two government nominees and five independent directors. The additional charge of all four functional directors are given to functional directors of BSNL. MTNL has been following the principles of Corporate Governance. As it is understood, the principles and Corporate Governance deals with laws, procedures, practices and implicit rules that determine a company's ability to take informed managerial decisions via its stake holders, in particular its shareholders, creditors, customers, the state and employees. The major constituents/components of Corporate Governance include:

1. Constitution of the Board of Directors.
2. Key information that are being reported to and are placed before the Board of Directors.
3. Proper functioning of Audit Committee.
4. Transparency and desirable disclosures by the company.

MTNL is undertaking non funding CSR activities like sending SMS to the public for spreading awareness on spread of COVID 19, awareness on Swachh Bharat, Pulse Polio, other moves of the Government, etc

The meetings of the Board are held regularly, as per the agenda and their importance. Besides regular Board Meeting, emergency Board meetings are held as and when required. The information, which are reported to and placed before the Board includes: -

1. Annual Plans, revenue, capital budgets, manpower and over-head budgets and manpower requirements.
2. Quarterly results of the company as a whole and its operating divisions.
3. Internal audit reports.

There is a separate Internal Audit group formed & functioning in the company under whose jurisdiction member of independent Chartered Accountants Firms are appointed by the company to carry out audit of various departments of the company both in Delhi & Mumbai as well as Corporate Office.

Apart from the internal audit, the company is also subjected to Govt. Audits and other audits/examination by Parliamentary Committees. Company has to report its monthly, quarterly and yearly achievements in terms of financial and physical parameters to DoT and Department of Public Enterprises (DPE).

Hence, it can be seen that the company functions in a most transparent manner. Two most important claimants to any company are creditors and shareholders and the Corporate Governance and good corporate practice must satisfy both these claimants. In this regard, MTNL has a unique distinction of servicing its shareholders. The company has evolved its own Insider Trading Code as per SEBI Rules & Regulations.

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HISTORICAL DEVELOPMENT

1911	Establishment of Delhi telephones system with manual exchange
1926	Opening of 1st automatic exchange (Lothian exchange)
1937	Opening of Connaught Place exchange.
1945	First Manual Trunk exchange opened.
1950	Opening of Cantt exchange
1953	Tiz Hazari Exchange (Lothian exchange ceased working) commissioned.
1955	Secretariat exchange commissioned
1958	Karol Bagh exchange (SXS) commissioned.
1961	JorBagh exchange (SXS) commissioned.
1961	Shahadara exchange (SXS) commissioned.
1962	Opening of First STC service to Agra.
1963	Delhi Gate (27) exchange commissioned.
1964	Delhi telephone crosses 50,000 lines.
1966	Opening of exchanges at Nangloi, Narela, Najafgarh, Bahadurgarh and Ballabgarh.
1967	Rajpath (38) exchange commissioned
1968	1st X-Bar exchange (KB58) commissioned. X-Bar exchange (JB62) commissioned
1969	Trunk automatic exchange (TAX) commissioned
1970	Okhla X-Bar exchange commissioned.
1972	Opening of Idgah-I (51) Strowger exchange.
1972	X-Bar (31) Janpath-I exchange commissioned. Delhi telephones crosses 1 lac lines.
1973	Opening of X-Bar (67) Chanakya Puri exchange.
1975	X-Bar Janpath-IV (34) exchange commissioned. X-Bar Shahdara East (20) exchange commissioned.
1976	Shakti Nagar (74) exchange commissioned. Idgah-II (52) X-Bar exchange inaugurated by Mr. Fakhuriddin Ali Ahmed, President of India, on 28.8.76 and presided over by Mr. S.D. Sharma (Minister of Communications). Opening of Shahdara East (20) Extension-I, X-Bar exchange on 31.8.76. It was inaugurated by Mr. H.K.L Bhagat (Minister of State for Works & Housing) and Mr. S.D. Sharma (Minister of Communications). Opening of HauzKhas (65) X-Bar exchange on 18.10.76. It was inaugurated by Mr. S.D. Sharma (Minister of Communications) and presided over by Mr. Radha Raman (Chief Executive Councillor, Delhi).
1977	Opening of STD Service to Indore and Ambala on 5.10.77 by Mr. Brij Lal Verma (Minister of Communications).
1978	Opening of Rajouri Garden-I (59) X-Bar exchange in Feb 78 Opening of Hauz Khas -II (66) X-Bar exchange on 15.2.78, by Mr. Brij Lal Verma (Minister of Communications). Opening of Janpath-V (35) X-Bar exchange. Opening of Nehru Place (68) Strowger exchange on 4.11.78 by Mr. Brij Lal Verma (Minister of Communications) and presided over by Mr. R.K. Gupta (Mayor of Delhi).
1986	Creation of Mahanagar Telephones Nigam Limited
1986	First digital exchange world technology brought to India
1987	Large Scale introduction of push button telephone made dialing easier.
1988	Phone Plus services multiplied benefits to telephone users.
1992	Voice Mail Service Introduced

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1996	ISDN services introduced
1997	Wireless in Local loop introduced
1999	Internet services introduced.
2000	Millennium Telecom Limited, a wholly owned subsidiary of MTNL is born
2001	Launched GSM Cellular Mobile service under the brand name Dolphin Launched WLL Mobile services under the brand name Garuda. United telecom ltd., MTNL Joint venture in Nepal, for providing WLL based services in Nepal became operational. CLI based Internet express services introduced.
2002	Launched pre-paid GSM Mobile services under the brand name Trump. Email on PSTN lines introduced under the brand name mtnl mail. Providing CDMA based Fixed & Mobile service in Nepal through its JV UTL, Nepal
2003	Introduced CDMA 1x 2000 Technology under the brand name Garuda 1-x. Introduced pilot project of ADSL based Broadband services. Introduced Virtual Phone services. Mahanagar Telephone Mauritius Ltd. bagged second operator license in Mauritius.
2004	Expanded GSM & CDMA capacity by 800,000 lines each (total 1.6 million lines expanded) STD/ISD rates slashed by almost 60%. MTNL subsidiary MTML obtained license to provide fixed, mobile & ILD services in Mauritius. Launched Wi-Fi & digital certification services. State of the art training centre CETTM commissioned.
2005	Leading market in GSM customer additions. Launched broadband services under the brand name TRI BAND. Launch of ADSL2+ based broadband service, as on date have largest market share in Delhi & Mumbai (56%). Floated tender for 1 million 3G GSM lines.
2006	First operator to launch IPTV Service in country
2008	Offer Wi fi based Hot Spot Service
2009	First operator to launch 3G Service
2010	Exclusive telecom and data service provider in CWG games
2012	Launch of FTTH Service Deployment of Converged Billing System Launch of 2G mobile service in MTML Mauritius.
2013	Launch of Broadband on VDSL Technology with the speed of 10 mbps. Missed Call Alert facility (MCA)
2014	Free incoming facility will be available while roaming in MTNL network (Delhi and Mumbai LSA) for its own customers. The facility will be applicable both for prepaid and postpaid subscribers and for calls received from all operators from 26-01-2014.
2014	Cabinet Approval for refund of BWA spectrum charges paid upfront amounting to Rs. 4533.97 Crores by MTNL in view of surrender of the same, by giving SG for raising bonds to the tune of Rs 4,533.97 Cr. MTNL successfully raised the amount in FY 2013-14 and FY 2014-15. Also, the payment of pensions of absorbed employees in the company who have opted for combined service pension has also been considered on the similar lines as in the case of BSNL and approval of cabinet was communicated vide 45-04/2012-Pen(7) dated 20th January 2014 by DoT, and subsequent gazette notification has been issued vide GSR 138(E) dated 3-3-2014. Subsequently D.O.T. has issued necessary notifications for commencement of pension payments to combined service pension opted absorbed retirees of MTNL which has given relief to MTNL to the extent of Rs 45-50 crores per month.
2016	MTNL extended connectivity and bandwidth to about 6000 Cameras on 1800 poles in Mumbai City Surveillance project

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2017	Upgradation of 3G network to HSPA+ capabilities
2018	The project of Wi-Fi and FTTH services in NDMC area was launched on 13th August 2018. Launched NDMC Connect, which is an MTNL-NDMC initiative to provide high speed Wi-Fi and FTTH services in the NDMC area. The State of the art Wi-Fi network has been equipped with unprecedented speed capabilities of 1 Gbps
2019	Cabinet Approval to the proposal of DoT for Revival of BSNL and MTNL by reducing employee costs through VRS, administrative allotment of spectrum for 4G services, debt restructuring by raising of sovereign guarantee bonds, monetization of assets and in-principle approval of merger of BSNL and MTNL. VRS resulted in successful reliving of 14,387 employees (88% of 16,370 eligible employees) and saving of Rs 1,500 Crore on Staff Expense. MTNL successfully raised the bonds to the tune of Rs 6,500 Crores in FY 2020-21.
2022	Cabinet Approval to the proposal of DoT for Revival of BSNL and MTNL by debt restructuring by raising of sovereign guarantee bonds. For detail examination of matters such as Assets Monetization, AGR dues, Debt resolution and course of action for merger of MTNL with BSNL, a Committee of Secretaries (CoS) comprising Secretary DoE, Secretary DoT, Secretary DIPAM and Secretary DPE has been constituted to recommend the way forward. Finance Minister and Minister of Communications will be empowered to decide the way forward. The Government will provide a budgetary support of Rs 1,600 Cr for restructuring and operation integration of the Telecom PSUs as a onetime grant. CAPEX in MTNL for an amount of Rs 1,851 Cr for 3 years from FY 22-23 onwards is accorded and 4G spectrum for MTNL also to be given to BSNL. Under Debt restructuring, MoF has given Sovereign Guarantee of Rs 10,910 Crore for the FY 2022-23, under which MTNL has raised Tranche 1 of Rs 6,109.60 Crore on 15.11.2022.

GROWTH AND ACHIEVEMENT

MTNL as a company, over the last thirty six years, grew rapidly by modernizing the network through induction of State-of-the-art technologies and adopting a customer friendly approach.

As on 31.03.2022

S. No.	Parameters	MTNL Delhi	MTNL Mumbai	MTNL Total
1	Number of Switches	287	342*	629
2	Details of Capacity			
2a	Fixed Phones	2416505	2464710	4881215
2b	GSM	2800000	2800000	5600000
2c	Broadband Capacity (in Ports)	788736	845020	1633756
3	DELs (including Fixed-Line, GSM and Broadband)	3797341	2744003	6541344
3a	Fixed Line	1284568	1393877	2678445
3b	GSM	2152246	1096405	3248651
3c	Broadband Subscribers	360527	253721	614248
4	FTTH Subscribers	27402	15193	42595
5	ISDN	7721	8,998	16719
6	DLC (No.)	30	32	62
7	Tax Capacity	80000	115200	195200
8	Tandem Capacity	215500	331240	546740
9	Optical Fibre Cable			
9a	OFC in Route Kms	9416.66	10089.982	19506.642
9b	OFC in Fibre Kms	309896.586	326624.465	636521.051
10	Leased Circuits	8691	13907	22598

*Including CNE

COMMON CHARTER OF TELECOM SERVICES 2005

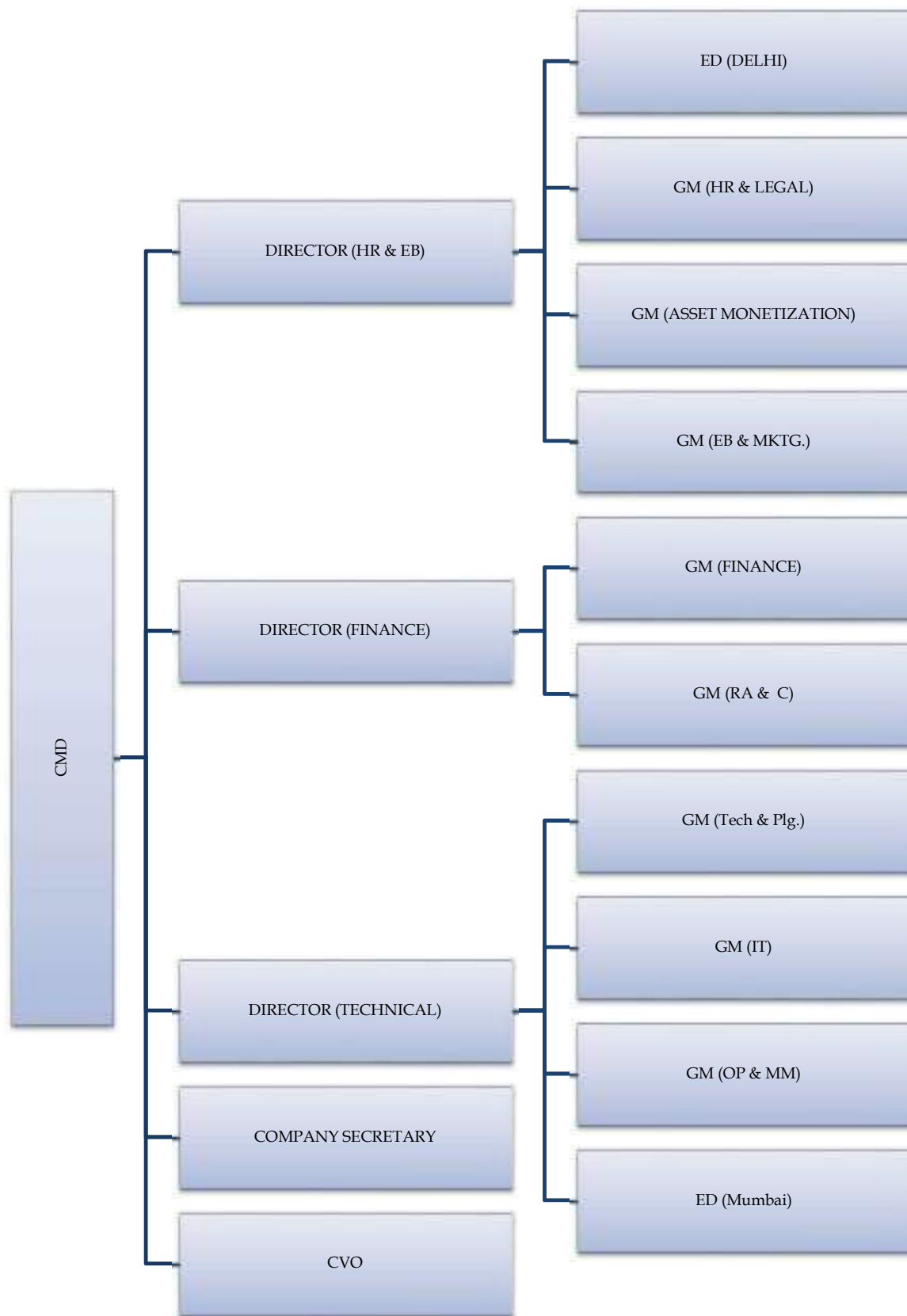
1. MTNL as a service provider fully acknowledges the right of citizen to opt for the service provider of his choice and also assures to provide the best services to the subscribers.
2. Consumers are educated about their rights through Sanchar Haats in respect of the choices offered by MTNL. A booklet on Redressed Mechanism in Hindi & English has also been provided at all Sanchar Haats for awareness of the consumers. The same is available on MTNL Web site.
3. MTNL assures that privacy of its subscribers (not affecting the national security) shall be scrupulously guarded.
4. MTNL assures its subscribers full interaction with MTNL authorities personally or through their authorized representatives.
5. Consumers are provided all the rules regulations terms and conditions including all options/choice of plans etc., through Sanchar Haat at the time of submitting their application there at including information on consumer redress system for complaints and billing disputes along with the relevant contact nos.
6. MTNL has arranged for full human interface with company executives displaying their names and identity for process of disputes resolutions in addition to the arrangement like offering services through call centers.
7. MTNL agrees to inform their subscribers on each bill, their consumer grievance redress process w.r.t. fault complaints & billing disputes. MTNL also agrees to resolve the disputes as per the guidelines of TRAI issued time to time.
8. MTNL provides the basic telephone services within seven days of registration subject to technical feasibility however the mobile services are provided immediately subject to completion of all required formalities by the subscribers.
9. In MTNL the fault are cleared within 24 hours on receipt of the complaint from the subscriber wherever technically feasible.
10. Shifting of telephone connections with in same exchange, intra city exchange and intercity exchange are carried out within 3 working days, 5 working days and 30 working days respectively subject to the availability of the customers, premises are opened & papers are completed. Closures of telephones are done within 3 days subject to completion of all formalities.
11. MTNL provides in its bills the related calls and tariff details, payment procedures including the locations where the subs. can make the payments.
12. In MTNL Jurisdiction the complaints are registered immediately if delivered in person or received by E - mail. In case the complaints are received by post the same are registered within 24 hours.
13. In MTNL the services are provided without any discrimination to every citizen as per his eligibility defined below and who undertakes to pay all charges and deposits.

*For the purpose of this clause a citizen shall be defined as an individual above the age of

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- 18 or an institution, NGOs, or business/services organizations engaged in any activity which is permissible under laws of land.
- 14.MTNL provides complete information on directory service related to basic telephones. The complaints are booked in MTNL on TOLL free nos. IVRS.
- 15.In MTNL subscribers are provided satisfactory connectivity of its services and interconnectivity to the extent of its legal/obligations under the relevant interconnections agreements ensuring that subs do not suffer on account of poor services.
- 16.MTNL Levies reconnection charges as per the TTO/waives off the same on its own discretion.
- 17.MTNL allows emergency services like police, fire and ambulance for a period of 15 days during which in coming facility is allowed subject to technical feasibility even after the telephone connection is suspended.
- 18.It is obligatory on part of the subscribers to clear all dues within the specified time.
- 19.MTNL fully agrees to achieve the minimum bench mark prescribed by TRAI with respect to the quality of the services and also commits to improve upon the standard of the services at different points of time.
- 20.Mutual courtesy and respect, the hall mark of durable relationship between service provider and its subscribers is fully agreed to and MTNL abides by these principals.
- 21.Common charter for telecom services is being followed in MTNL with full sincerity.

b) CORPORATE STRUCTURE:



SUBSIDIARIES OF THE ISSUER

(A) Mahanagar Telephone (Mauritius) Ltd. (MTML) (A WHOLLY OWNED OVERSEAS SUBSIDIARY)

MTML is a 100% owned subsidiary of MTNL in Mauritius. The company is having license for Mobile Services, International Long Distance (ILD) Services and Internet Services. In a small Island country, having a population of around 12.5 Lacs only and having Mobile Tele-density of more than 160%, MTML has been able to successfully position itself with Customer Centric Services. With patronage of more than 4, 05,000 customers, MTML is able to compete well in a saturated telecom market. The company continues to be in profit for 13th Consecutive Year. MTML is offering Mobile Services on latest state of the art technology having 4G (LTE) Services covering more than 90% of the total population and 2G/3G Network all over the Island. With increased coverage of high speed data services on 4G and migrating more and more subscribers to its 4G network, MTML customers are now generating more than 1500 TB of data every month. MTML became the first operator in Mauritius to launch e-SIM Service which has helped it in acquiring higher ARPU customers. MTML has also acquired license for 5G Services in Mauritius recently. Action on procurement of equipment has been started and it is expected to launch 5G Services in commercially important areas during 2022-23. MTML has earned Revenue of approximately MUR 463.20 Million in financial year 2021-22 as against MUR 462.40 Million during last fiscal year. The company has improved its revenue marginally despite severe challenges faced during this period. Due to Covid-19, Mauritius suffered from lengthy curfew/lockdowns leading to reduced business activity. Being an Island, 1/3rd economy of Mauritius used to run on Tourism Sector and Roaming used to be a big source of revenue for the company in past years. However, due to Covid-19, Tourism Sector was almost closed due to which Roaming Revenue declined by almost 85%. Other International Services like ILD, A2P SMS also suffered severely due to lack of economic activity. Despite severe depression in national economy due to Covid-19 and absence of Tourism Business, Gross Revenue of MUR 463.20 Million is achieved during the Current Financial year. MTML has established its own brand CHILI in the Republic of Mauritius as trusted total telecom service provider. With more than 265 BTSs operating across the island, the quality of service is to the satisfaction of customers. Co-location with other telecom providers for mobile network has also started opening a new source of revenue for the company. MTML has been introducing innovative tariff packages to match current market dynamics with the state of art technology and is quite popular especially among youth. MTML has also diversified into retailing of Smartphones including Apple products and the business has picked up well during past two years. During 2021-22, total Smartphone Sales reached MUR 39.49 Million. All the expenses of the company are paid from its own internal resources. The CAPEX for procurement of equipment is also met from its own internal resources. MTML is operating from its own building situated in Cyber City, Mauritius which is considered to be the heart of IT hub in Mauritius. There is no debt liability on the Company. The company is managed by CEO, CFO and 11 more officers, all on deputation from the parent company. Other operations are managed through local outsourcing.

(B) Millennium Telecom Ltd. (MTL) (A WHOLLY OWNED INDIAN SUBSIDIARY)

Millennium Telecom Ltd. (MTL): a wholly owned subsidiary of Mahanagar Telephone Nigam Limited, a Government of India CPSE, registered office in New Delhi. MTL was incorporated in February 2000.

ICT related Services being offered by MTL include Cloud services, Wi-Fi solution; project on e-governance, Managed services, Turnkey ICT solution, GIS based services, capacity building and skill development etc. MTL earned a net profit of Rs. 19.79 lakhs for the period ending 31st March 2022. MTL's customer list includes Air India, J & K Government, Central University-(Mahendragarh) Haryana, UP Building and Other Constructions Workers Welfare Board (UP BOCWWB), Lucknow, Thane Municipal Corporation CIDCO, Film Division of India, Insurance Institute of India etc. MTL is also expanding its portfolio of service for providing generalized as well customized solutions to suit government and semi government institutions. MTL has empaneled Business Development Associates (BDAs) for 10 years through EOI in the year 2016-17. Further, MTL has reopened the window for Empanelment of Business Development Associates in MTL through open ended EOI. MTL has around 23 empaneled Business Development Associates (BDAs) for innovative projects in ICT related fields. MTL along with its Empaneled Business Development Associates (BDAs) has introduced the cloud services for the Government customers on back to back basis.

During the financial year under report, MTL has registered a profit before tax of Rs 26,74,225/- as against a profit before tax of Rs 19,14,455/- last year and has a reserve and surplus of Rs 2,81,498,06/- as against Rs 2,62,76,390/- last year.

JOINT VENTURES OF THE ISSUER ARE AS FOLLOWS:

(A) MTNL STPI IT SERVICES LTD (MSITS)

MTNL STPI IT Services Ltd. (MSITSL) is a 50:50 Joint Venture company of Mahanagar Telephone Nigam Limited (MTNL) and Software Technology Parks of India (STPI). MSITSL was incorporated on 31/03/2006 under the Companies Act, 1956, with authorized Capital of Rs. 50 Crores. MSITSL has established the physical infrastructure of state of the art Tier III compliant Data Centre at Chennai on space taken on lease basis from STPI. The Data Center has server farm area of around 3500 sq. ft. and the total investment made for setting it up was Rs.477 lakhs. This Tier III Data Center is maintaining 99.98% uptime on 24X7x365. The commercial operation of the Data Centre commenced in 2009. At present, the following customers have co-located server racks for their projects and operation in the MSITSL Data Centre.

- The Ministry of External Affairs (MEA) has hosted Passport Seva Project at MSITSL Data Centre through M/s TCS.
- The Directorate General of Employment & Training (DGE&T) in Ministry of Labour & Employment has hosted National Career Project through STPI at MSITSL Data Centre.
- Repco Bank Ltd , M/s Repco Home finance Limited and M/s Repco Micro Finance Limited have co-located server racks for banking operation
- In addition to that, MSITS has been offering 39 Nos workstation facilities to Repco Home finance Ltd through STPI centre.

During the year under Report, MSITS has registered a turnover of Rs. 648.45 lacs as against Rs. 588.12 lacs last year and registered an increase of Rs. 60.33 lacs over last year. Other income during the year is Rs. 39.85 lacs which was Rs. 30.75 lacs last registering an increase of Rs. 9.10 lacs. MSITS has earned a profit amounting to Rs. 230.58 lacs after providing for depreciation as compared to the last

year's figure of Rs. 189.92 lacs. Earnings per share for the year ended on 31.03.2022 is Rs. 5.05 as compared to Rs. 4.16 last year ended on 31.03.2021.

Ministry Of External Affairs has issued the Letter of intent (LoI) to M/s TCS as implementing Agency for Passport Seva Project 2.0(PSP2.0), subsequently MEA officials confirmed our Data center premises as Disaster Recovery Centre for executing the said project .In this regard, MSITSL has selected DC consultant for expanding the Data Centre server farm area by around 1200 sqft as per Tier-III standard through tendering process at the estimate cost of 6 Crs.

(B) United Telecommunication Ltd. (UTL)

UTL is J.V. Company of MTNL which consists of TCL, TCIL, NVPL (Nepal) & MTNL. The company provides Mobile/ILD/data services in Nepal. At present MTNL is holding 26.68% of Equity in UTL. The company has not been performing well for the last few years. It has huge losses. The Customer base has also reduced. It is not able to pay the statutory dues like Royalty Fees, BTS site charges, and other dues to the Govt. of Nepal. The company does not have resources to clear outstanding. They have sought Equity/ Loan participation by its JV partners but MTNL, TCIL & TCL all the Indian JV partners have decided not to contribute any amount towards its Share Capital or Loan. All the Indian JV Partners have decided to exit from the JV and have exercised their Right to exit, on January 30, 2018 at par value. Notice of exit (Sale of our share in JV Company) was given on 30.01.2018 and was required to be accepted within 3 months i.e., on or before 30.04.2018 but so far, the same has not been given effect by the UTL/NVPL.

Latest status of exit option - With regard to the exercising of Exit Right by all the Indian JV Partners-MTNL, TCIL and TCL from United Telecom Limited (UTL) dated January 30, 2018 by invoking the provisions of the JV Agreement and Amendatory Agreement, NVPL is willing to acquire all the 17.2 million equity shares held by all Indian JV Partners in UTL at par value upon satisfactory negotiation on the terms and payment modality between all parties. NVPL further requested all the Indian JV Partners to initiate necessary steps towards completing related acquiring procedures, including entering into a Share Purchase Agreement (SPA) at the earliest. Accordingly, as provided by NVPL, UTL forwarded a "SPA draft" to all Indian JV Partners for their perusal and comments in line with initiating necessary steps to complete the sale purchase. The SPA draft envisages to complete all necessary processes with all the Indian JV Partners and at necessary regulatory authorities as per the provisions of the prevailing laws of Nepal within 3 months from the completion date of share transfer deed. SPA agreement entered into is under examination at ROC of Nepal and Government of Nepal.

c) Project cost and means of financing, in case of funding of new projects:- NA

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II. Key operational and financial parameters for the last 3 Audited Financial Years

(a) STANDALONE BASIS:

(Rs. In Crore)

Parameters	H1 FY 2023-24 (Unaudited)	FY 2021-22 (Audited)	FY 2020-21 (Audited)	FY 2019-20 (Audited)
Balance Sheet				
Net Fixed assets	5,284.70	5,622.60	6,351.37	7,115.84
Current assets	5,708.75	5,726.53	6,104.13	8,464.41
Non-current assets	942.30	954.51	895.24	1,075.83
Total assets	11,935.75	12,303.64	13,350.75	16,656.08
Non-Current Liabilities				
Financial (borrowings, trade payables, and other financial liabilities)	15,294.33	16,903.47	18,560.55	12,975.15
Provisions	372.75	385.72	238.59	240.12
Deferred tax liabilities (net)	-	-	-	-
Other non-current liabilities	67.39	73.88	96.93	120.61
Current Liabilities	16,242.23	13,597.04	10,494.57	16,905.85
Financial (borrowings, trade payables, and other financial liabilities)	15,558.92	12,972.15	9,683.37	16,074.09
Provisions	38.59	24.67	170.75	179.01
Current tax liabilities (net)				
Other current liabilities	644.72	600.22	640.46	652.75
Total liabilities	31,976.70	30,960.11	29,390.64	30,241.73
Equity (equity and other equity)	-20,040.96	-18,656.45	-16,039.88	-13,585.65
Total equity and liabilities	11,935.75	12,303.66	13,350.76	16,656.08
Profit and Loss				
Total revenue from operations	456.03	1,069.72	1,303.64	1,536.36
Other income	286.69	627.18	484.77	690.66
Total Expenses	2,129.64	4,299.49	4,250.20	5,922.70
Total comprehensive income				
Profit / loss	-1,386.91	-2,602.59	-2,461.79	-3,695.68
Other comprehensive income	2.42	-13.98	7.55	-115.32
Profit / loss after tax	-1,384.50	-2,616.57	-2,454.24	-3,811.00
Earnings per equity share:				
(a) basic; and	-22.01	-41.31	-39.08	-58.66
(b) diluted	-22.01	-41.31	-39.08	-58.66
Continuing operations	-22.01	-41.31	-39.08	-58.66
Discontinued operations	-	-	-	-
Continuing and discontinued operations	-22.01	-41.31	-39.08	-58.66

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Cash Flow				
Net cash generated from operating activities	130.43	707.42	-229.76	-1,225.13
Net cash used in / generated from investing activities	5.54	201.74	-223.65	-33.18
Net cash used in financing activities	-126.77	-935.66	414.49	1,326.14
Cash and cash equivalents (at the beg of the year)	77.25	103.76	142.68	74.85
Balance as per statement of cash flows	86.45	77.25	103.76	142.68
Additional information				
Net worth	-20,040.96	-18,656.45	-16,039.88	-13,585.65
Cash and Cash Equivalents	86.45	77.25	103.76	142.68
Current Investments				
Net Sales	456.03	1,069.72	1,303.64	1,536.36
EBIDTA	94.57	295.87	524.93	-782.19
EBIT	-265.78	-463.14	-354.71	-1,754.14
Dividend amounts	-	-	-	-
Long term debt to working capital	-2.46	-4.12	-6.81	-1.62
Current Liability ratio – Current liabilities / Non-current liabilities	1.03	0.78	0.56	1.27
Total Debts to Total assets	2.33	2.18	1.92	1.33
Debt Service Coverage Ratios	0.04	0.08	0.17	-0.68
Interest service coverage ratio	0.08	0.14	0.25	-0.90

STANDALONE FINANCIAL INFORMATION FOR LAST 3 YEARS

i) Profit & Loss Account

Particulars	H1 FY 2023-24	FY 2021-22	FY 2020-21	FY 2019-20
	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from Operation	456.03	1,069.72	1,303.64	1,536.36
Other income	286.69	627.18	484.77	690.66
Total revenue	742.72	1,696.90	1,788.41	2,227.02
Purchases of Stock in Trade	0.19	0.21	0.21	
Employee's cost	270.77	555.02	413.03	2,124.45
Revenue sharing	27.67	87.39	92.67	99.14
License fees	41.10	102.05	118.31	159.18
Operative & other administrative expenses	308.42	656.36	639.26	626.44
Finance costs	1,121.14	2,139.45	2,107.07	1,941.54
Depreciation & amortization	360.34	759.01	879.65	971.95
Total expenditure	2,129.64	4,299.49	4,250.20	5,922.70
Profit/ (loss) before prior period, exceptional items & tax	-1,386.91	-2,602.59	-2,461.79	-3,695.68
Provision for tax/deferred tax				
Profit after tax	-1,386.91	-2,602.59	-2,461.79	-3,695.68

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Exceptional items				
Prior period adjustments (net)				
Discontinuing operations				
Profit/(loss) for the period	-1,386.91	-2,602.59	-2,461.79	-3,695.68
Other comprehensive income	2.42	-13.98	7.55	-115.32
Profit/(loss) for the period	-1,384.50	-2,616.57	-2,454.24	-3,811.00

ii) Balance Sheet

Particulars	H1FY 2023-24 (Unaudited)	FY 2021-22 (Audited)	FY 2020-21 (Audited)	FY 2019-20 (Audited)
Non-current assets				
(a) Property, Plant and Equipment	2,832.26	2,982.74	3,252.16	3,486.96
(b) Capital work-in-progress	64.47	73.98	184.25	328.08
(c) Right-of-Use Asset	394.80	405.83	446.52	503.16
(d) Investment Property	62.25	62.09	36.59	31.43
(e) Intangible assets	1,930.92	2,097.96	2,431.86	2,766.21
(f) Financial Assets				
(i) Investments	106.13	106.13	106.13	106.13
(ii) Loans and advances	3.05	3.43	3.41	202.34
(iii) Other financial assets	183.25	215.57	204.89	0.63
(g) Deferred tax assets (net)				
(h) Non Current Tax Asset	581.91	563.17	515.54	706.98
(i) Other non-current assets	32.06	30.31	29.36	23.85
Current assets				
(a) Inventories	5.58	6.55	8.75	18.54
(b) Financial Assets				
(i) Investments				
(ii) Trade Receivables	687.48	662.36	764.59	620.74
(iii) Cash and cash equivalents	86.45	77.25	103.76	142.68
(iv) Bank Balances other than (iii) above	0.01	12.04	155.54	13.02
(v) Loans and advances	4.08	3.08	27.83	3,545.20
(vi) Other Financial Assets	4,632.78	4,599.32	4,623.98	3,492.91
(c) Other current assets	292.37	365.93	419.67	631.32
Asset held for sale	35.90	35.90	35.92	35.90
Total Assets	11,935.75	12,303.64	13,350.75	16,656.08
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	630.00	630.00	630.00	630.00
(b) Other Equity	-20,670.96	-19,286.45	-16,669.88	-14,215.65
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
UP RAJYA VIDYUT UTPADAN NIGAM CONTRIBUTORY PROVIDENT FUND TRUST
(Private & Confidential –For Private Circulation Only)

(i) Borrowings	15,059.32	16,565.55	18,172.18	12,554.15
(ii) Lease Liabilities	130.72	143.78	179.46	221.03
(iii) Other Financial Liabilities (other than b)	104.29	194.13	208.90	199.97
(b) Provisions	372.75	385.72	238.59	240.12
(c) Deferred tax liabilities (Net)				
(d) Other Non Current liabilities	67.39	73.88	96.93	120.61
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12,524.51	10,040.92	7,176.37	9,296.42
(ii) Lease Liabilities	69.71	68.44	71.08	103.91
(iii) Trade Payables				
(A) total outstanding dues of micro enterprises and small enterprises	103.46	98.09	42.51	47.13
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,139.71	941.97	646.83	735.19
(iv) Other Financial Liabilities (other than c)	1,721.52	1,822.72	1,746.58	5,891.44
(b) Other current liabilities	644.72	600.22	640.46	652.75
(c) Provisions	38.59	24.67	170.75	179.01
(d) Current Tax Liabilities (Net)				
Total Equity and Liabilities	11,935.75	12,303.66	13,350.75	16,656.08

iii) Cash Flow Statement

Particulars	H1FY 2023-24 (Unaudited)	FY 2021-22 (Audited)	FY 2020-21 (Audited)	FY 2019-20 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	-1,386.91	-2,602.59	-2,461.79	-3,695.68
Adjustments for:				
Depreciation expense	193.17	425.11	545.30	636.23
Amortisation expense	167.18	333.90	334.35	335.72
(Gain)/ Loss on disposal of property, plant and equipment (net)	-0.06	-3.31	-3.17	-0.77
Dividend income	-0.40	-2.15	-2.14	-1.68
Interest income	-3.28	-83.38	-50.82	-142.34
Excess provisions written back	-45.21	-142.50	-39.77	-157.09
Provision for doubtful debts including discount	50.96	119.98	81.47	64.50
Provision for obsolete inventory	1.08	16.43	4.80	3.01
Provision for doubtful claims	0.13	5.43	2.70	0.91
Loss of assets	0.60	6.58	9.79	2.33
Provision for abandoned work capital work in progress	-	-	-	
Remeasurement gains and loss on employee benefit obligations	2.42	-13.98	7.55	-115.32
Finance costs	1,121.14	2,139.45	2,107.07	1,941.54

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
UP RAJYA VIDYUT UTPADAN NIGAM CONTRIBUTORY PROVIDENT FUND TRUST
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Bad debts recovered	-0.00	-	-0.01	-0.08
Bad debts written off	3.90	8.16	1.56	15.23
Operating loss before working capital changes	104.70	207.13	536.89	-1,113.49
Movement in working capital				
Decrease/(increase) in loans	-0.47	19.98	-89.90	-113.57
(Increase)/decrease in inventories	-0.11	-14.24	-4.80	0.29
Increase in other financial assets	0.99	24.93	2,791.89	-2,593.01
Decrease in other assets	71.81	52.79	-85.63	267.46
Decrease/(increase) in trade and other receivables	-79.99	-25.92	-226.87	-96.54
Increase/(decrease) in other financial liabilities	-234.67	60.20	-3,243.19	3,015.96
(Decrease)/increase in other liabilities	38.01	-63.28	-35.99	-136.76
Increase in provisions, trade and other payables	248.90	493.46	-63.61	-472.20
Cash flows from/(used in) operating activities post working capital changes	149.18	755.05	-421.20	-1,241.86
Income tax (paid)/refunds (net)	-18.74	-47.63	191.45	16.73
Net cash used in operating activities (A)	130.43	707.42	-229.76	-1,225.13
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, plant and equipment, investment property and intangible assets (including capital work-in-progress) (net of sale proceeds)	-7.76	-15.68	-102.15	-133.26
Movement in fixed deposits (net)	12.03	143.50	-153.85	8.51
Dividend received	0.40	2.15	2.14	1.68
Interest received	0.87	71.76	30.21	89.89
Net cash used in investing activities (B)	5.54	201.73	-223.65	-33.18
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds and repayment of long-term borrowings (net)	-1,464.61	-18.56	6,005.78	1,594.24
Proceeds and repayment of short-term borrowings (net)	2,439.13	1,271.44	-3,622.55	1,676.07
Finance cost paid	-1,065.05	-2,110.90	-1,859.12	-1,880.68
Payment towards lease liabilities	-36.24	-77.64	-109.62	-63.49
Net cash flows from financing activities (C)	-126.77	-935.66	414.49	1,326.14
Decrease in cash and cash equivalents (A+B+C)	9.20	-26.51	-38.92	67.83
Cash and cash equivalents at the beginning of the year	77.25	103.76	142.68	74.85
Cash and cash equivalents at the end of the year	86.45	77.25	103.76	142.68

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- iv) **Auditor's Report along with requisite schedules, footnotes, summary etc. for last 3 years** Please refer **ANNEXURE II**

Full Annual Report for last 3 years please refer <https://mtnl.in/annual.html>

(b) CONSOLIDATED BASIS:

Parameters	H1 FY 2023-24 (Unaudited)	FY 2021-22 (Audited)	FY 2020-21 (Audited)	FY 2019-20 (Audited)
Balance Sheet				
Net Fixed assets	5,361.15	5,692.19	6,436.84	7,216.86
Current assets	5,783.04	5,808.55	6,181.58	8,533.13
Non-current assets	804.21	815.99	756.94	938.07
Total assets	11,948.40	12,316.74	13,375.37	16,688.06
Non-Current Liabilities	15,742.48	17,370.97	18,904.10	13,343.57
Financial (borrowings, trade payables, and other financial liabilities)	15,295.02	16,904.17	18,561.49	12,975.86
Provisions	372.75	385.72	238.58	240.12
Deferred tax liabilities (net)	7.10	6.99	6.88	6.75
Other non-current liabilities	67.60	74.10	97.15	120.84
Current Liabilities	16,260.80	13,614.02	10,515.75	16,926.59
Financial (borrowings, trade payables, and other financial liabilities)	15,576.39	12,985.62	9,701.58	16,093.37
Provisions	38.96	25.19	171.46	179.82
Current tax liabilities (net)	-	2.32	1.40	-
Other current liabilities	645.45	600.89	641.30	653.40
Total liabilities	32,003.28	30,984.99	29,419.85	30,270.16
Equity (equity and other equity)	-20,054.88	-18,668.26	-16,044.51	-13,582.10
Total equity and liabilities	11,948.40	12,316.73	13,375.34	16,688.06
Profit and Loss				
Total revenue from operations	488.64	1,149.04	1,387.71	1,623.55
Other income	288.08	630.03	485.97	693.27
Total Expenses	2,167.77	4,379.28	4,332.88	6,009.48
Total comprehensive income				
Profit / loss	-1,391.06	-2,600.22	-2,459.21	-3,692.66
Other comprehensive income	4.43	-20.63	-1.15	-120.44
Provision for tax	-	2.91	2.07	1.07
Profit / loss after tax	-1,386.63	-2,623.77	-2,462.43	-3,814.17
Earnings per equity share:				
(a) basic; and	-22.08	-41.32	-39.07	-58.63
(b) diluted	-22.08	-41.32	-39.07	-58.63

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
UP RAJYA VIDYUT UTPADAN NIGAM CONTRIBUTORY PROVIDENT FUND TRUST
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Continuing operations	-22.08	-41.32	-39.07	-58.63
Discontinued operations	-	-	-	-
Continuing and discontinued operations	-22.08	-41.32	-39.07	-58.63
Cash Flow				
Net cash generated from operating activities	138.26	703.73	-224.53	-1,205.64
Net cash used in / generated from investing activities	-8.43	204.48	-259.16	-43.24
Net cash used in financing activities	-126.84	-936.04	414.16	1,325.90
Cash and cash equivalents (at the beg of the year)	99.27	127.09	196.60	119.58
Balance as per statement of cash flows	102.26	99.27	127.08	196.60
Additional information				
Net worth	-20,054.88	-18,668.26	-16,044.51	-13,582.10
Cash and Cash Equivalents	102.26	99.27	127.08	196.60
Current Investments				
Net Sales	488.64	1,149.04	1,387.71	1,623.55
EBIDTA	96.26	310.28	540.52	-765.39
EBIT	-270.68	-461.75	-352.78	-1,751.23
Dividend amounts	-	-	-	-
Long term debt to working capital	-2.48	-4.17	-6.95	-1.63
Current Liability ratio – Current liabilities / Non-current liabilities	1.03	0.78	0.56	1.27
Total Debts to Total assets	2.33	2.18	1.91	1.33
Debt Service Coverage Ratios	0.04	0.08	0.18	-0.68
Interest service coverage ratio	0.09	0.14	0.26	0.90

CONSOLIDATED FINANCIAL INFORMATION FOR LAST 3 YEARS

i) Profit & Loss Account

Particulars	H1 FY 2023-24	FY 2021-22	FY 2020-21	FY 2019-20
	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from Operation	488.64	1,149.04	1,387.71	1,623.55
Other income	287.25	628.88	485.16	693.04
Total revenue	775.89	1,777.92	1,872.87	2,316.59
Purchases of Stock in Trade	2.20	6.26	5.21	2.49
Employee's cost	272.72	558.64	416.55	2,128.18
Revenue sharing	34.53	101.30	109.28	117.60
License fees	46.95	114.24	127.94	169.87
Operative & other administrative expenses	323.23	687.19	673.35	663.84
Finance costs	1,121.20	2,139.62	2,107.24	1,941.66
Depreciation & amortization	366.94	772.02	893.30	985.84
Total expenditure	2,167.77	4,379.28	4,332.87	6,009.48

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
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Profit/ (loss) before prior period, exceptional items & tax	-1,391.88	-2,601.36	-2,460.00	-3,692.89
Share of profit/(loss) in investments accounted for using equity method	0.82	1.15	0.81	0.23
Profit/ (loss) before tax	-1,391.06	-2,600.21	-2,459.19	-3,692.66
Provision for tax/deferred tax	-	2.91	2.07	1.07
Profit after tax	-1,391.06	-2,603.12	-2,461.26	-3,693.73
Exceptional items				
Prior period adjustments (net)				
Discontinuing operations				
Profit/(loss) for the period	-1,391.06	-2,603.12	-2,461.26	-3,693.73
Other comprehensive income	4.43	-20.63	-1.15	-120.44
Profit/(loss) for the period	-1,386.63	-2,623.76	-2,462.41	-3,814.17

ii) **Balance Sheet**

Particulars	H1 FY 2023-24 (Unaudited)	FY 2021-22 (Audited)	FY 2020-21 (Audited)	FY 2019-20 (Audited)
Non-current assets				
(a) Property, Plant and Equipment	2,901.75	3,045.19	3,329.45	3,579.11
(b) Capital work-in-progress	64.47	73.98	184.25	328.08
(c) Right-of-Use Asset	395.36	406.44	447.33	503.66
(d) Investment Property	68.65	68.62	43.95	39.80
(e) Intangible assets	1,930.92	2,097.96	2,431.86	2,766.21
(f) Financial Assets				
(i) Investments	3.55	3.07	3.17	3.51
(ii) Loans and advances	3.05	3.43	3.41	202.67
(iii) Other financial assets	183.25	215.58	204.89	0.63
(g) Deferred tax assets (net)				
(h) Non Current Tax Asset	582.25	563.56	516.05	707.36
(i) Other non-current assets	32.06	30.31	29.36	23.85
Current assets				
(a) Inventories	6.47	7.49	9.05	19.32
(b) Financial Assets				
(i) Investments				
(ii) Trade Receivables	697.50	670.97	771.71	628.96
(iii) Cash and cash equivalents	102.26	99.27	127.09	196.60
(iv) Bank Balances other than (iii) above	37.98	49.25	193.15	13.02
(v) Loans and advances	4.08	3.08	27.83	3,545.35
(vi) Other Financial Assets	4,633.88	4,599.81	4,624.43	3,492.91
(c) Other current assets	300.87	378.69	428.30	636.97
Asset held for sale	0.05	0.05	0.07	0.05
Total Assets	11,948.40	12,316.74	13,375.35	16,688.06

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
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EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	630.00	630.00	630.00	630.00
(b) Other Equity	-20,684.88	-19,298.26	-16,674.51	-14,212.10
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15,059.32	16,565.55	18,172.18	12,554.15
(ii) Lease Liabilities	131.41	144.48	180.41	221.74
(iii) Other Financial Liabilities (other than b)	104.29	194.13	208.90	199.97
(b) Provisions	372.75	385.72	238.58	240.12
(c) Deferred tax liabilities (Net)	7.10	6.99	6.88	6.75
(d) Other Non Current liabilities	67.60	74.10	97.15	120.84
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12,524.51	10,040.92	7,176.36	9,296.42
(ii) Lease Liabilities	69.94	68.67	71.32	104.04
(iii) Trade Payables				
(A) total outstanding dues of micro enterprises and small enterprises	103.46	98.09	42.51	47.13
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,148.10	949.68	659.21	748.88
(iv) Other Financial Liabilities (other than c)	1,730.37	1,828.26	1,752.19	5,896.90
(b) Other current liabilities	645.45	600.89	641.30	653.40
(c) Provisions	38.96	25.19	171.46	179.82
(d) Current Tax Liabilities (Net)	-	2.32	1.40	
Total Equity and Liabilities	11,948.40	12,316.74	13,375.35	16,688.06

iii) **Cash Flow Statement**

Particulars	H1 FY 2023-24 (Unaudited)	FY 2021-22 (Audited)	FY 2020-21 (Audited)	FY 2019-20 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	-1,391.06	-2,600.21	-2,459.19	-3,692.66
Adjustments for:				
Depreciation expense	199.76	438.12	558.95	650.12
Amortisation expense	167.18	333.90	334.35	335.72
(Gain)/ Loss on disposal of property, plant and equipment (net)	-0.06	-3.31	-3.17	-0.77
Dividend income	-0.82	-1.15	-0.81	-0.23
Interest income	-3.58	-83.79	-51.51	-143.24
Excess provisions written back	-45.34	-145.24	-40.26	-157.35

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
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Provision for doubtful debts including discount	50.96	119.98	9.79	2.33
Provision for obsolete inventory	1.08	16.43	81.47	64.50
Provision for doubtful claims	0.15	5.45	5.03	3.01
Loss of assets	0.60	6.58	2.74	1.08
Provision for abandoned work capital work in progress	-	-	-	
Remeasurement gains and loss on employee benefit obligations	2.42	-13.98	7.55	-115.32
Finance costs	1,121.20	2,139.62	2,107.24	1,941.66
Bad debts recovered	-0.00	-0.00	-0.01	-0.08
Bad debts written off	3.90	8.16	1.56	15.23
Operating loss before working capital changes	106.37	220.59	553.73	-1,096.00
Movement in working capital				
Decrease/(increase) in loans	-0.49	19.78	-90.01	-114.37
(Increase)/decrease in inventories	-0.05	-15.00	-4.56	0.31
Increase in other financial assets	0.39	24.67	2,788.20	-2,594.46
Decrease in other assets	76.30	48.23	-89.03	267.93
Decrease/(increase) in trade and other receivables	-81.18	-27.66	-226.07	-97.21
Increase/(decrease) in other financial liabilities	-230.67	59.59	-3,247.37	3,011.71
(Decrease)/increase in other liabilities	38.18	-64.03	-35.83	-137.70
Increase in provisions, trade and other payables	250.30	486.98	-64.62	-462.31
Cash flows from/(used in) operating activities post working capital changes	159.15	753.14	-415.56	-1,222.10
Income tax (paid)/refunds (net)	-20.89	-49.40	191.05	16.46
Net cash used in operating activities (A)	138.26	703.74	-224.51	-1,205.64
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, plant and equipment, investment property and intangible assets (including capital work-in-progress) (net of sale proceeds)	-21.21	-12.85	-99.74	-142.55
Movement in fixed deposits (net)	11.27	143.91	-191.46	8.51
Dividend received	0.34	1.26	1.14	
Interest received	1.17	72.16	30.90	90.80
Net cash used in investing activities (B)	-8.43	204.48	-259.16	-43.24
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds and repayment of long-term borrowings (net)	-1,464.61	-18.56	6,005.78	1,594.24
Proceeds and repayment of short-term borrowings (net)	2,439.13	1,271.43	-3,622.55	1,676.07
Finance cost paid	-1,065.05	-2,110.90	-1,859.12	-1,880.68

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Payment towards lease liabilities	-36.30	-78.01	-109.95	-63.73
Net cash flows from financing activities (C)	-126.84	-936.04	414.16	1,325.90
Decrease in cash and cash equivalents (A+B+C)	2.98	-27.82	-69.51	77.02
Cash and cash equivalents at the beginning of the year	99.27	127.09	196.60	119.58
Cash and cash equivalents at the end of the year	102.26	99.27	127.09	196.60

iv) **Auditor's Report along with requisite schedules, footnotes, summary etc. for last 3 years**

Please refer **ANNEXURE II**

Full Annual Report for last 3 years please refer <https://mtnl.in/annual.html>

Gross Debt: Equity Ratio of the Company:

Particular	Debt to Equity Ratio	
	Consolidated	Standalone
Before the issue of debt securities (as on 30 th Sept, 2022)	-1.38	-1.38
After the issue of debt securities *	-1.40	-1.40

* After Bond Issue in Series VII-A of Rs 6,109.60 Cr on 15.11.2022 under Placement Memorandum (Tranche 1) and in Series VII-B of Rs. 2,757.90 Crore of NCDs under this Placement Memorandum (Tranche 2).

III. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability (Amount in Rs Cr)

Sl No.	Particulars	31 March 2022
A	Income Tax Demands disputed and under appeal ^	-
B	Sales Tax, Service Tax, Excise duty, Municipal Tax Demands Disputed and under Appeal	898.03
C	Claims against the Parent not acknowledged as debts	655.89
D	Pending arbitration/court cases	2,094.18
E	Bank guarantee & Letter of Credit	-
F	Directory dispute	59.32
G	Pending court cases against land acquisition	4.87
H	License fee related contingent liability w.r.t. BSNL charges paid on netting basis	140.36
I	License fee related contingent liability w.r.t. provisional assessment done by DOT	3,572.02
J	BTS related penalty imposed by DoT	84.25

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IV. A Brief history of the issuer since its incorporation giving details of its following activities:-

a. Details of share capital as on 30th September, 2022:-

Particulars	Number of Securities	Aggregate Nominal Value (in Rs. Cr)
<u>Authorized Capital</u>		
Equity Share (Rs 10/-share)	3,500,000,000	3,500.00
Preference Share (Rs 100/- share)	650,000,000	6,500.00
<u>Issued Capital</u>		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL
<u>Subscribed Capital</u>		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL
<u>Paid up Capital</u>		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL

b. Changes in its capital structure as on 30th September, 2022, for the last three years:-

Date of Change (AGM/EGM)	Increase/ Decrease TO	Particulars
No Change in Capital Structure in Last three years		

c. Equity share capital history of the company as on 30th September, 2022, for the last three years:-

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (In Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity share capital (Rs.)	Equity share premium (in Rs.)	
There has been no allotment in last three years									

d. Details of any acquisition of or amalgamation with any entity in the last 1 year:- NA

e. Details of any reorganization or reconstruction in the last 1 year:-

Type of Event	Date of Announcement	Date of Completion	Details
NA	NA	NA	NA

f. Details of the shareholding of the company as on the latest quarter end, as at the latest quarter end, as per the format specified under the listing regulations :-

Detail attached as **Annexure IV**

g. List of top 10 holders of equity shares of the company as on 30.09.2022: -

Sl. No.	Name of the shareholders	Total No. of Equity Shares	No. of Shares in demat form	Total Shareholding as % of total no. of equity shares
1	PRESIDENT OF INDIA	354378740	354378740	56.25
2	LIFE INSURANCE CORPORATION OF INDIA	82659457	82659457	13.12
3	KAMLESH B SHAH	8039765	8039765	1.28
4	THE BANK OF NEW YORK MELLON	7037238	7037238	1.12

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5	PRAKASH BABALAL SHAH	2149900	2149900	0.34
6	ELARA INDIA OPPORTUNITIES FUND LIMITED	1611000	1611000	0.26
7	THE NEW INDIA ASSURANCE COMPANY LIMITED	1594544	1594544	0.25
8	MANOJ L SHAH HUF	1482740	1482740	0.24
9	THE ORIENTAL INSURANCE COMPANY LIMITED	1392970	1392970	0.22
10	RAVIKUMAR RAMKISHORE SANWALKA	1058000	1058000	0.17
	TOTAL	461404354	461404354	73.24

*The investments by above entities through their sub-schemes with same PAN have been clubbed.

V. Following details regarding the directors of the company:-

a. **Details of the current directors of the company (As on 23.11.2022)**

Sl. No.	Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship	Whether willful defaulter (Yes/No)
1	P.K.PURWAR, CMD 06619060	57	8, Raisina Road, New Delhi, 110001	15.04.2020	1. BSNL – CMD 2. MTNLSTPI IT Services Ltd. – Director 3. BSNL Tower Corporation Ltd – Director 4. Mahanagar Telephone Mauritius Ltd (MTML) - Chairman & Director 5. United Telecom Ltd – Director	NO
2	ARVIND VADNERKAR, DIRECTOR (HR & EB) 08597016	59	T-33, ATUL GROVE ROAD, NEW DELHI - 110001	01.09.2021	1. Bharat Sanchar Nigam Limited (BSNL)- Director 2. MTNLSTPI IT Services Ltd. – Director 3. Millennium Telecom Ltd. - Chairman & Director	NO
3	YOJANA DAS, DIRECTOR (FINANCE) 08987456	59	D-44, First Floor, Near Sapna Theatre, East of Kailash, New Delhi – 110065	17.05.2021	1. Bharat Sanchar Nigam Limited (BSNL)- Director 2. BSNL Tower Corporation Ltd – Director 3. MTNLSTPI IT Services Ltd. – Director	NO

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Sl. No .	Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship	Whether willful defaulter (Yes/No)
4	V RAMESH, DIRECTOR (TECHNICAL) 08771524	58	8-2-93/K-54, Flat no 202, Gauri Shankar Residency, Kamala puri Colony, Ph III, Jubilee Hills Hyderabad – 500073 Andhra Pradesh	01.04.2022	1. Bharat Sanchar Nigam Limited (BSNL)- Director 2. BSNL Tower Corporation Ltd – Director 3.MTNLSTPI IT Services Ltd. – Director	NO
5	SUNIL KUMAR VERMA, GOVERNMENT NOMINEE DIRECTOR, JSA, DOT 09800644	50	G-204, 2nd Floor, Type 6A, Deen Dayal Upadhyay Marg, New Delhi- 110002	23.11.2022	1. Bharat Sanchar Nigam Limited (BSNL)- Director	NO
6	YASHASHRI SHUKLA, GOVERNMENT NOMINEE DIRECTOR, JT. ADMIN/USOF , DOT 09526509	51	D-II/75, Pandara Road, New Delhi - 110003	26.05.2022	1. Bharat Sanchar Nigam Limited (BSNL)- Director	NO
7	VISHWAS PATHAK, INDEPENDENT DIRECTOR 00093771	57	B-401, 4 TH FLOOR, ROYAL RESIDENCY, CHIWADA GULLY, DR BABASAHEB AMEBEDKAR ROAD, LALBAUG, MUMBAI	12.11.2021	N.A.	NO
8	SARV DAMAN BHARAT, INDEPENDENT DIRECTOR 09393017	66	P.M. 19/2, SANTOSH VIHAR, NEAR 22 NO. PHATAK, PATIALA – 147001 PUNJAB	12.11.2021	NA	NO
9	DEEPIKA MAHAJAN, INDEPENDENT DIRECTOR 09408802	56	HOUSE NO. 50/2, EXTN, WARD NO 53, TRIKUTA NAGAR, JAMMU, JAMMU AND KASJMIR -180020	23.11.2021	NA	NO
10	YOGESH KUMAR TAMRAKAR, INDEPENDENT DIRECTOR 00070734	57	RAMESHWARAM, ADARSH NAGAR, REWA ROAD, SATNA, MADHYA PRADESH-485001	12.11.2021	NA	NO
11	PIYUSH RANJAN NISHAD, INDEPENDENT DIRECTOR 09579746	50	29B, PD TANDON MARG, CIVIL LINE, PRAYAGRAJ – 211001 (UP)	21.04.2022	NA	NO

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b. Details of change in directors since last three years:- (As on 23.11.2022)

Sl. No	Name, Designation and DIN	Date of appointment	Date of the cessation, if applicable	Date of the resignation, if applicable	Remarks (viz. reasons for change, etc)
1	Tiakala Lynda Yaden Government nominee director 07522884	19.05.2016	24.09.2019	NA	
2	Rakesh Nangia, Independent Director 00147386	23.12.2015	31.01.2020	NA	
3	Ashok Mittal, Independent Director 06581045	23.12.2015	31.01.2020	NA	
4	P.K. Purwar, CMD 06619060	15.04.2020		NA	
5	Milind Vijay Joshi, Director (Finance) 08273959	05.11.2018	30.09.2020	NA	
6	Chinmay Basu, Independent Director 02105505	26.10.2017	25.10.2020	NA	
7	K.B. Gokulchandran, Independent Director 07969005	26.10.2017	25.10.2020	NA	
8	G.Padmaja Reddy, Independent Director 06464905	26.10.2017	25.10.2020	NA	
9	Suneeta Trivedi, Independent Director 06742087	26.10.2017	25.10.2020	NA	
10	Mahmood Ahmed, Govt Nominee Director 07694375	02.07.2020	26.11.2020	NA	
11	Sanjeev Kumar, Director (Technical) 07566882	18.07.2016	27.01.2021	NA	
12	Suresh Kumar Gupta, Director (Finance) 08221877	21.10.2020	05.05.2021	NA	

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Sl. No .	Name, Designation and DIN	Date of appointment	Date of the cessation, if applicable	Date of the resignation, if applicable	Remarks (viz. reasons for change, etc)
13	Sunil Kumar, Director (HR & EB) 06628803	21.06.2013	3-1.08.2021	NA	
14	Yojana Das, Director (Finance) 08987456	17.05.2021		NA	
15	Arvind Vadnerkar, Director (HR & EB) 08597016	01.09.2021		NA	
16	Vishwas Pathak, Independent Director 00093771	12.11.2021		NA	
17	Sarv Daman Bharat, Independent Director 09393017	12.11.2021		NA	
18	Yogesh Kumar Tamrakar, Independent Director 00070734	12.11.2021		NA	
19	Deepika Mahajan, Independent Director 09408802	23.11.2021		NA	
20	Sushil Kumar Mishra, Director (Technical) 08726827	09.03.2021	31.03.2022	NA	
21	V.Ramesh, Director (Technical)	01.04.2022		NA	
22	Piyush Ranjan Nishad, Independent Director	21.04.2022		NA	
23	Navneet Gupta, Govt Nominee Director 08478052	11.06.2019	17.05.2022	NA	
24	Amitabh Ranjan Sinha, Govt Nominee Director 08992887.	26.11.2020	30.05.2022	NA	
25	Premjit Lal, Govt Nominee Director	17.05.2022	17.11.2022	NA	

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Sl. No.	Name, Designation and DIN	Date of appointment	Date of the cessation, if applicable	Date of the resignation, if applicable	Remarks (viz. reasons for change, etc)
26	Yashashri Shukla, Govt Nominee Director	30.05.2022		NA	
27	Sunil Kumar Verma, Govt Nominee Director	23.11.2022			

VI. Following details regarding the auditors of the company:-

a. Details of the statutory auditor of the company:-

Name	Address	Auditors Since
M/s SCV & Co. LLP	B-41, Panchsheel Enclave, New Delhi – 110017, Phone – 011-26499111, 222/444/555	10.10.2022
M/s SPMG & CO	3322A, 2nd Floor, Bank Street, Karol Bagh, New Delhi-110005 Phone : 011- 28728769, 28727385	26.08.2020

b. Details of change in auditor since last three years:-

Name	Address	Date of Appointment / Resignation	Date of cessation (in case of resignation)	Remarks
M/s SPMG & CO	3322A, 2nd Floor, Bank Street, Karol Bagh, New Delhi-110005 Phone : 011- 28728769, 28727385	26.08.2020	-	-
M/s Vinod Kumar & Associates	503, Chiranjiv Tower 43, Nehru Palace, New Delhi -11 00 19	14.11.2019	-	-
M/s Kumar Vijay Gupta & Co.	408, New Delhi House, Barakhamba Road, Connaught Place New Delhi – 110001 Phone : 011-23314525, 41571108	01.09.2016	-	-

VII. Details of borrowings of the company, as on 23rd November 2022:-

a. Details of secured loan facilities as on 23.11.2022

Amount in Rs. Cr

Lender's Name	Type of Facility	Amt Sanctioned	Principal Amt Out.	Repayment Date / Schedule	Security
BOB	Term Loan	750.00	655.29	Repayment due in 14 instalments 18.75 Crores/quarter (2 Instalments)From Jun-22 to Mar-23. 37.5 Crores/quarter (4 Instalments)From Jun-23 to Mar-24. 56.25 Crores/quarter (8 Instalments)From Jun-24 to Mar-26 & Rs 17.79 cr in Mar-26	Mortgage on Land & Building
BOI CGO	Term Loan	500.00	423.62	Repayment due in 16 instalments 25 Crores/quarter (16 Instalments)From Mar-23 to Dec-26 & 23.62 in Dec-26	

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BOI LCB	Term Loan	500.00	388.84	Repayment due in 11 instalments 25 Crores/quarter (3 Instalments)From Mar-23 to Sep-23. 37.5 Crores/quarter (8 Instalments)From Dec-23 to Sep-25 & Rs 13.84 cr in Sep-25	All Moveabl e Fixed and Current Assets+ Letter of Comfort
PNB e-OBC	Term Loan	500.00	360.30	Repayment due in 10 instalments 25 Crores/quarter (2 Instalments)From Mar-23 to Jun-23. 37.5 Crores/quarter (8 Instalments)From Sep-23 to Jun-25 & Rs 10.30 cr in Jun-25	
PNB e-United	Term Loan	300.00	169.50	Repayment due in 7 instalments 22.5 Crores/quarter (7 Instalments)From Mar-23 to Sep-24 & Rs 12cr in Sep-24	All Moveabl e Fixed and Current Assets+ Letter of Comfort
PSB 1	Term Loan	500.00	273.77	Repayment due in 7 instalments spread 37.5 Crores/quarter (7 Instalments)From Apr-23 to Oct-24 & Rs 11.27 cr in Oct-24	
SBI 1	Term Loan	1,800.00	989.16	Repayment due in 7 instalments 135 Crores/quarter (7 Instalments)From Mar-23 to Sep-24 & Rs 44.16 cr in Sep-24	
SBI 2	Term Loan	500.00	140.08	Rs 125 crore in Mar-23 & Rs 15.08 cr in Mar-23	
UBI	Term Loan	2,000.00	736.86	Repayment due in 6 instalments 150 Crores/quarter (4 Instalments)From May-23 to Feb-24 50 Crores/quarter (2 Instalments)From May-24 to Aug-24 & Rs 36.86 cr in Sep-24	Mortgag e on Land & Building
UBI e-Andhra 1	Term Loan	1,000.00	452.11	Repayment due in 8 instalments 75 Crores/quarter (5 Instalments)From Mar-23 to Mar-24 25 Crores/quarter (2 Instalments)From Jun-24 to Sep-24. & Rs 27.11 cr in Sep-24	
UBI e-Andhra 2	Term Loan	300.00	211.54	Repayment due in 12 instalments 15 Crores/quarter (1 Instalments) in May-23. 22.5 Crores/quarter (8 Instalments)From Aug-23 to May-25 & Rs 16.42 cr in Aug-25	
UBI e-Corporati on 1	Term Loan	1,000.00	468.94	Repayment due in 7+7 instalments 37.5 Crores/quarter (5 Instalments)From Mar-23 to Mar-24 6.25 Cr in Jun-24 & 40.37 in Sep-24 37.5 Crores/quarter (5 Instalments)From Apr-23 to Apr-24 6.25 Cr in Jul-24 & 41.07 in Oct-24	All Moveabl e Fixed and Current Assets+ Letter of Comfort
UBI LTL-6	Term Loan	500.00	500.00	25 Crores/quarter (20 Instalments)From Mar-24 to Dec-28	
UCO Bank	Term Loan	500.00	395.43	Repayment due in 13 instalments 25 Crores/quarter (3 Instalments)	

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				From May-23 to Nov-23. 37.5 Crores/quarter (8 Instalments)From Feb-24 to Nov-25 & Rs 20.43 cr in Nov-25	
TOTAL		10,650.00	6,165.41		

b. Details of unsecured loan facilities as on 23.11.2022

Amount in Rs. Cr

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date/Schedule
PSB 2	Term Loan	200.00	145.32	Repayment due in 10 instalments 10 Crores/quarter (2 Instalments)From May-23 to Aug-23 15 Crores/quarter (8 Instalments)From Nov-23 to Aug-25 & Rs 5.32 cr in Aug-25
UBI e-Corporation 3	Term Loan	500.00	398.91	Repayment due in 11 instalments 25 Crores/quarter (3 Instalments) From Mar-23 to Sep-23. 37.5 Crores/quarter (8 Instalments)From Dec-23 to Sep-25 & Rs 23.91 cr in Sep-25
GOI	Short Term Loan	570.00	570.00	05-03-2023
GOI	Short Term Loan	350.00	350.00	02-07-2023
PUNJAB NATIONAL BANK	Overdraft	200.00	150.54	Renewal due on 29-11-2022
BANK OF INDIA	Overdraft	500.00	380.54	Renewal due on 21-12-2023
BANK OF BARODA	Overdraft	1,000.00	973.09	Renewal due on 28-09-2022
UNION BANK OF INDIA	Overdraft	2,250.00	1,959.19	Renewal due on 05-09-2022
INDAN OVERSEAS BANK	Overdraft	2,300.00	1,410.66	Renewal due on 03-11-2022
TOTAL		7,870.00	6,338.25	

c. Details of outstanding non-convertible securities as on 23.11.2022

Series of NCS	ISIN	Tenor/ period of maturity	Coupon (p.a.) payable semi annually	Amount (Rs. Cr)	Date of Allotment	Redemption on Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
I	INE153 A08014	10 Year	8.57%	1,005.00	28-Mar-13	28-Mar-23	CARE AAA (CE)/Stable CRISIL AAA (CE)/Stable	Unsecured	NA
II	INE153 A08022	10 Year	9.38%	1,975.00	5-Dec-13	5-Dec-23			
III *	INE153 A08030	10 Year	9.39%	765.00	26-Mar-14	26-Mar-24			

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IV A*	INE153 A08048	10 Year	8.24%	1,400.00	19-Nov-14	19-Nov-24			
IV B*	INE153 A08055	10 Year	8.28%	100.00	19-Nov-14	19-Nov-24			
IV C*	INE153 A08063	10 Year	8.24%	.07	19-Nov-14	19-Nov-24			
IV D*	INE153 A08071	10 Year	8.29%	2,268.90	28-Nov-14	28-Nov-24			
V	INE153 A08089	10 Year	7.05%	4,361.40	12-Oct-20	11-Oct-30	CARE AAA (CE)/Stable CRISIL AAA (CE)/Stable		
VI	INE153 A08097	10 Year	6.85%	2,138.60	21-Dec-20	20-Dec-30	BWR AAA (CE)/Stable		
VII - A	INE153 A08105	10 Year	8.00%	6,109.60	15-Nov-22	15-Nov-32	CARE AAA (CE)/Stable IND AAA (CE)/Stable		
TOTAL				20,123.57					

* The outstanding NCDs of Rs 20,123.57 Cr includes NCDs for an amount of Rs 4,533.97 Cr, the liability of interest payment and principal repayment rests with Government of India.

d. List of top 10 non-convertible securities in terms of value (in cumulative basis) as on 30.09.2022:-

Sl. No.	Name of holders of Non-Convertible Securities	Amount (In Rs. Cr)	% of total NCS Outstanding
1	CBT-EPF-11-E-DM	3,818.20	27.25
2	EMPLOYEES' STATE INSURANCE CORPORATION A/C SBI FUNDS MANAGEMENT PRIVATE LIMITED	1,517.00	10.82
3	ICICI PRUDENTIAL CORPORATE BOND FUND	1,047.40	7.47
4	COAL MINES PROVIDENT FUND ORGANISATION	890.20	6.35
5	NPS TRUST- A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT	886.00	6.32
6	ARMY GROUP INSURANCE FUND	639.80	4.57
7	HDFC TRUSTEE CO LTD A/C HDFC BANKING AND PSU DEBT FUND	540.90	3.86
8	PUNJAB NATIONAL BANK	500.00	3.57
9	THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND	474.40	3.39
10	STATE BANK OF INDIA EMPLOYEES PENSION FUND	381.00	2.72
TOTAL		10,694.90	76.32

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e. **Details of commercial paper:- the total face value of commercial papers outstanding as on 30.09.2022 to be provided and its breakup in following table:**

S.No.	ISIN OF Commercial papers	Maturity Date	Amount Outstanding (In Cr)
NA			

f. **Details of rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures / preference shares) as on 30.09.2022: -**

Party Name (in case of Facility) / Instrument Name	Type of Facility / Instrument	Amt Sanctioned / Issued	Principal Amt Outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security
NA							

VIII. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/debt securities have been taken/issued:

- (i) in whole or part – **NA**
- (ii) at a premium or discount, or – **NA**
- (iii) in pursuance of an option or not – **NA**

IX. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the company, in the past 3 years including current year –

MTNL has reported default for more than 30 days for an amount of Rs 35.15 crore towards Union bank of India. The default was due to temporary mismatch in cash flow. The matter was reported to BSE/NSE on 31.08.2022. MTNL has cleared all the dues to banks on 09-09-2022 and has funding which is expected to take care of the debt related liabilities. All the loans of MTNL are regular since then.

X. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities
Union Cabinet in its meeting held on 27th July 2022 has considered and approved the following revival plan for MTNL

- All telecom services in Delhi and Mumbai will be provided by BSNL through leasing of Operational assets or other appropriate model.
- Sovereign Guarantee with waiver of Sovereign Guarantee Fees for raising bonds aggregating to Rs 17,571 Cr in two financial year as mentioned below, for repayment of Principal and interest amount.
 - Rs 10,910 Cr in FY 2022-23 (MTNL has raised Tranche 1 of Rs 6,109.60 Crore on 15.11.2022.)
 - Rs 6,661 Cr in FY 2023-24
- For detail examination of matters such as Assets Monetization, AGR dues, Debt resolution and course of action for merger of MTNL with BSNL, a Committee of Secretaries (CoS) comprising Secretary DoE,

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Secretary DoT, Secretary DIPAM and Secretary DPE will be constituted to recommend the way forward. Finance Minister and Minister of Communications will empowered to decide the way forward. The Government will provide a budgetary support of Rs 1,600 Cr for restructuring and operation integration of the Telecom PSUs as a onetime grant. DoT vide its OM No. 20-29/2022-SU-II (FTS No. 135329) dated 08th August 2022 has already constituted Committee of Secretaries (CoS).

- CAPEX in MTNL for an amount of Rs 1,851 Cr for 3 years from FY 22-23 onwards is accorded and 4G spectrum for MTNL also to be given to BSNL.

Rating Downgrade

Due to default in payment of interest in the month of July 2022

- CARE downgrade the Rating in respect of Long Term loan/Short Term Loan and unsupported standalone rating for bonds of MTNL from AA+ (CE)/A1+ (CE) and BBB to D/D to D respectively. The same has been upgraded to CARE BB+/A4 + and CARE BB+.
- CRISIL downgrade the Rating in respect of unsupported standalone rating for bonds of MTNL from BBB to C and subsequently upgrade the rating to B-.
- Brickwork downgrade the Rating in respect of unsupported standalone rating from BBB- to C. Rating upgradation is under review.

XI. Any litigation or legal action pending or taken by a government department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company

The Promoter of the Company is President of India hence, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the promoter of the company during the last 3 years.

XII. DETAILS OF DEFAULT AND NON-PAYMENT OF STATUTORY DUES

No Default in payment of statutory dues

XIII. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from debenture trustee-

In accordance with the provisions of Section 71 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules 2014 and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, MTNL has appointed **Beacon Trusteeship Limited** to act as Debenture Trustee for and on behalf of the holder(s) of the Debentures. The address and contact details of the Trustees are as under:

Debenture Trustee

Name : Beacon Trusteeship Limited

Address: 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (East),
Mumbai 400 051

Contact Person: Mr, Kaustubh Kulkarni (Director)

SEBI Registration Number: IND000000569

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Tel No : 022-26558759 **Email id:** compliance@beacontrustee.co.in

A copy of letter from **Beacon Trusteeship Limited** conveying their consent to act as Debenture Trustee for the current issue of Debentures and Due Diligence Certificate is enclosed as **Annexure (VIII)** in this Placement Memorandum.

XIV. If the security is backed by a guarantee ~~or letter of comfort or any other document / letter with similar intent~~, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines); the same shall be disclosed in the offer document

Document attached as **Annexure IX (Guarantee Letter)** and **Annexure XI (TPA)**

XV. Disclosure of cash flows with date of interest/redemption payment as per day count convention (as per SEBI CIRCULAR NO: SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021) – Document attached as Annexure XIII

XVI. DISLCOSURE PERTAINING TO WILFUL DEFAULTER

a. The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:

- (i) Name of the bank declaring as a wilful defaulter; - NIL
- (ii) The year in which it was declared as a wilful defaulter; - NIL
- (iii) Outstanding amount when declared as a wilful defaulter; - NIL
- (iv) Name of the entity declared as a wilful defaulter; - NIL
- (v) Steps taken, if any, for the removal from the list of wilful defaulters; - NIL
- (vi) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions; - NIL
- (vii) Any other disclosure as specified by the Board. - NIL

b. The fact that the issuer or any of its promoters or directors is a willful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages. - Not Applicable

XVII. Undertaking by the Issuer

- i)** Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 54 to 59 under the section '**Risk Factors**'.
- ii)** The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the issuer and the issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and

intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

- iii)** The issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.
- iv)** The Issuer undertakes that Permanent Account Number of Directors and Permanent Account numbers of the Promoters have been submitted to the stock exchange on which the non-convertible securities are proposed to be listed at the time of filing of this Placement Memorandum.
- v)** The Company undertakes that this Placement Memorandum contains full disclosures in accordance with Form PAS-4 prescribed under Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended and other provisions of the Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular no. SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended.
- vi)** The Issuer accepts no responsibility for the statements made otherwise than in the Placement Memorandum or in any other material issued by or at the instance of the Issuer and that any one relying on such information from any other source would be doing so at their own risk.

XVIII. Risk Factors

An investment in Bonds involves a certain degree of risk. It should carefully be considered all the information in this Placement Memorandum, including the risks and uncertainties described in this document before making an investment in the Bonds. The risk factors set forth in this document do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Bonds. Additional risks and uncertainties not known to the Company or that the Company currently believes to be immaterial may also have an adverse effect on its business, prospects, results of operations and financial condition. If any of the following or any other risks actually occur, the Company's business, prospects, results of operations and financial condition could be adversely affected and the price and value of your investment in the Bonds could decline such that you may lose all or part of your investment.

Unless otherwise stated, our financial information used in this section is derived from our Standalone Reformatted Financial Information, prepared in accordance with Indian Accounting Standards generally accepted in India.

Internal Risk Factors

- (a) We have contingent liabilities that we have not provided for, which if materialize, may adversely affect our financial condition.**

Our total contingent liabilities that have not been provided for as of March 31st, 2022 were Rs.7,841.33

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Crores. Claims against the company not acknowledged as debts are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
	(Amount In Rs. Crores)	
Income Tax demands	364.93	364.93
Sales tax, Service tax, Municipal Tax demands	898.03	807.71
Pending arbitration cases	2,094.18	3,016.75
Demands not yet acknowledged/arisen	655.89	663.52
License fees related demands under review	3,572.02	3,565.53
Others	256.28	230.09
Total	7,841.33	8,648.53

(b) We are currently involved in litigation which may be exposed to litigation risks

Legal proceedings covering a wide range of matters are pending or threatened against us. We have accrued amounts as appropriate that represent our estimate of the probable outcome of these matters. The judgments we make with regard to whether to establish a reserve are based on an evaluation of all relevant factors by internal and external legal counsel, as well as subject matter experts and is based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. Claims are continually monitored and reevaluated as new information is obtained. We may not establish a liability for a particular matter until long after the litigation is filed, once a liability becomes probable and estimable. The actual settlement of such matters could differ from the judgments made in determining how much, if any, to accrue. We do not believe these proceedings will have a material adverse effect on our consolidated financial position.

Our Company is currently involved in certain proceedings and claims pending at different levels of adjudication before various authorities. Additionally, should any new development arise against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which may reduce our profitability. We can give no assurance that these legal proceedings will be decided in our favor. Any adverse outcome in any or all of these proceedings may affect our business, results of operations and financial condition.

All these are constantly evaluated and the contingent liabilities to the extent the claims on account of various disputes are disclosed as above.

External Risk Factors

(i) Economic Slowdown in the current scenario

Our results of operations are significantly affected by factors influencing the Indian economy in general at present. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our project portfolio and our ability to implement our strategy. Any such slowdown could adversely affect our business, prospects, results of operations and financial condition.

(ii) Political instability or changes in GoI policies could adversely affect economic conditions in India generally, and consequently, our business in particular.

We are incorporated in India, derive our revenues from operations in India and all of our assets are located in India. Consequently, our performance may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic and power sector liberalization and deregulation and encouraged infrastructure projects. The present government has announced its general intention to continue India's current economic liberalization and deregulation policies. However, the rate of economic liberalization could change and there can be no assurance that such policies will be continued. A significant change in GoI's policies in the future, particularly in respect of the banking and finance industry and the infrastructure sector, could affect business and economic conditions in India. This could also adversely affect our business, prospects, results of operations and financial condition.

(iii) Any down grading of India's sovereign rating by a credit rating agency could have a negative impact on our business, financial condition and results of operations.

a) Management assessment on the net worth:

Net worth of MTNL is negative as on 30/09/2022 to the tune of Rs 20,040.96 Crores as the land and buildings assets of MTNL are continued to be shown at historic cost. MTNL has large pieces of real estate assets in Delhi & Mumbai which are recorded at historical values since inception in 1986. The intrinsic value of such properties is very high in the present market vis-à-vis the book values. In view of the same the Govt. approved monetization of these assets. Considering all such factors the Cabinet on 23.10.2019 approved the monetization of land/building assets of MTNL considered worth Rs. 23,007 Cr to be monetized in accordance with DIPAM guidelines. The asset monetization and the monetization of Optical fiber and Towers would have yielded results in the financial year 2020-21 but unfortunately due to the Covid-19 pandemic effect in year 20-21, the progress on these aspects has not been achieved. Asset monetization through DIPAM may also not likely to give any financial relief to MTNL immediately. Accordingly, the projections made for the redemption of huge debts outstanding may not happen in the immediate future in view of all round down slide of revenues of MTNL as well as the market conditions for sale or monetization of assets. Therefore, the risk of effects of COVID -19 in the year 2020- 21 loom large on the prospects of MTNL becoming debt free and consequently the risk of debt going up cannot be discounted. However, with the combined effect of reduction of staff cost by al-most to the tune of Rs 1700 crs per annum and the grant of Sovereign guarantee for Rs 6500 crs by Govt. of India to MTNL as per Cabinet approval dated 23-10-2019 in the year 2020-21 and raising of bonds for the restructuring of existing debts and also to refinancing for working capital purposes as well as CAPEX infusion definitely made the company to run as a going concern despite huge debt costs in the year 20-21 also. However, the same remains a risk posing proposition unless the monetization plans and also the revenue mopping up pro-grammes and investment in CAPEX are implemented in the years to come.

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The expectation of monetization of assets as per cabinet approval in the year 2019-20 did not turn out in practicality and the issue is ultimately being guided by DIPAM and with the guidance and monitoring of DIPAM, by the end of year 21-22, MTNL may be able to monetize some of these assets and may continue to be a going concern in future as well.

Subsequently considering all these developments, Union Cabinet in its meeting held on 27th July 2022 has considered and approved the following revival plan for MTNL

- All telecom services in Delhi and Mumbai will be provided by BSNL through leasing of Operational assets or other appropriate model.
- Sovereign Guarantee with waiver of Sovereign Guarantee Fees for raising bonds aggregating to Rs 17,571 Cr in two financial year as mentioned below, for repayment of Principal and interest amount.
 - Rs 10,910 Cr in FY 2022-23 (MTNL has raised Tranche 1 of Rs 6,109.60 Crore on 15.11.2022.)
 - Rs 6,661 Cr in FY 2023-24
- For detail examination of matters such as Assets Monetization, AGR dues, Debt resolution and course of action for merger of MTNL with BSNL, a Committee of Secretaries (CoS) comprising Secretary DoE, Secretary DoT, Secretary DIPAM and Secretary DPE will be constituted to recommend the way forward. Finance Minister and Minister of Communications will empowered to decide the way forward. The Government will provide a budgetary support of Rs 1,600 Cr for restructuring and operation integration of the Telecom PSUs as a onetime grant. DoT vide its OM No. 20-29/2022-SU-II (FTS No. 135329) dated 08th August 2022 has already constituted Committee of Secretaries (CoS).
- CAPEX in MTNL for an amount of Rs 1,851 Cr for 3 years from FY 22-23 onwards is accorded and 4G spectrum for MTNL also to be given to BSNL.

Risks Relating to the Bonds

A. There could be only a limited trading or sporadic trading in the bonds and it may not be available on sustained basis in the future and the price of the Bonds may or may not be volatile.

Although the Bonds are proposed to be listed on BSE, there can be no assurance that a public market for these Bonds would be available on a sustained basis. Although the sovereign guarantee backing by Govt. of India could contain the market volatility the liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions as well as our financial condition and prospects and other factors that generally influence market price of Bonds. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which the Bonds are issued. That too either sporadically or in a limited manner.

B. There is no guarantee that the Bonds issued pursuant to the Issue will be listed on BSE in a timely manner.

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until after the Bonds have been issued and allotted. Approval

for listing and trading will require all relevant documents authorizing the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the Stock Exchange.

C. Any downgrading in credit rating of our Bonds may affect the trading price of our Bonds.

The Bonds proposed to be issued have been rated “IND AAA (CE)” with “Stable” Outlook by India Ratings as per rating letter dated 01st November 2022 and “CARE AAA (CE)” with “Stable” Outlook by CARE Ratings as per rating letter dated 03rd November 2022. We cannot guarantee that this rating will not be downgraded. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the Bonds and may also affect our ability to raise further debt.

D. Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law.

The Bonds although are un-subordinated and are backed by irrevocable guarantee of Govt. of India, the same may be subjected to certain liabilities preferred by law such as to claims of GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions having legal obligation. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Bonds only after all such liabilities that rank senior to these Bonds, by the dint of any specific laws, have been paid.

E. The Debentures bear certain regulatory risks

Further, the exercise by the Debentures Trustee of the powers and remedies conferred on it respectively under the SEBI regulations on Debentures, and the related transaction documents, otherwise vested in them by law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders. In the event any dispute arises between the Company and a holder of the Debentures, the holder may need to take judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may also be subject to various delays including as a result of multiple levels of appellate adjudication.

F. In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.

In respect of Outstanding Debt Instrument - As of date, the MTNL has not defaulted in compliance with any material covenants agreed to by the MTNL in respect of outstanding debt instruments. **In respect of Deposits** – No Deposits available with MTNL except advances received from telecom subscribers. **In respect of Borrowings** – MTNL has reported default for more than 30 days for an amount of Rs 35.15 crore towards Union bank of India. The default was due to temporary mismatch in cash flow. The matter was reported to BSE/NSE on 31.08.2022. MTNL has cleared all the dues to

banks on 09-09-2022 and has funding which is expected to take care of the debt related liabilities. All the loans of MTNL are regular since then.

G. If secured, any risk in relation to maintenance of security cover or full recovery of security in case of enforcement. – Unsecured in nature

XIX. Attestation by Directors of the Company

- a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder except and to the extent declared in the placement memorandum.
- b) The compliance with the said Act and the rules made thereunder does not imply that payment of interest or repayment of debentures, if applicable, is guaranteed by the Central Government. **However, since the issue is backed by Sovereign Guarantee from Central Government, the payment of interest or repayment of debentures is guaranteed by Central Government.**
- c) The monies received under the offer shall be used only for the purposes and objects indicated in the Term Sheet section of Placement Memorandum and private placement offer cum application letter.
- d) Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association
- e) Declaration on General Risk

General Risk

“Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section [•] of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor’s decision to purchase such securities.”

XX. OTHER DETAILS:

a. Debenture Redemption Reserve

The Issuer shall create a Debenture Redemption Reserve (“**DRR**”), when it becomes applicable, as per the provisions of the Companies Act, 2013 and the guidelines issued by the Ministry of Corporate Affairs and SEBI as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any government agency having authority under law in respect of creation of DRR, the Issuer shall abide by such guidelines. The Issuer also undertakes to comply with provisions relating to investment or deposit in terms of Companies Act, 2013, as applicable.

b. ISSUE/INSTRUMENT SPECIFIC REGULATIONS - RELEVANT DETAILS (COMPANIES ACT, RBI GUIDELINES, ETC).

The Debentures being offered pursuant to this Placement Memorandum are subject to the provisions of Companies Act, the SEBI (Issue and Listing of Non-convertible Securities), Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form, and other terms and conditions as may be incorporated in the Debenture Trust Deed.

c. DEFAULT IN PAYMENT

In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest @ 2.00% p.a. over the coupon rate for defaulting period i.e., the period commencing from and including the date on which such amount becomes due & upto but excluding the date on which such amount is actually paid.

d. DELAY IN LISTING

The Issuer shall complete all the formalities and seek listing permission within T+4 working days, T being the Issue Closing Date.

In case of delay in listing of the Bonds within the prescribed period from Deemed Date of Allotment, the Company shall bear penal consequences as mentioned in **SEBI Operational Circular “SEBI/HO/DDHS/P/CIR/2021/613” dated 10th August 2021.**

e. DELAY IN ALLOTMENT OF SECURITIES

The Issuer shall complete all the formalities related to allotment of securities within T+2 working days, T being the Issue Closing Date.

Any failure in such allotment as per defined timelines shall attract penal provisions as specified by SEBI from time of time.

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f. ISSUE DETAILS

TERM SHEET

Security Name	7.87 % MTNL SG BOND SERIES VII – B – 2022
Issuer	Mahanagar Telephone Nigam Limited
Type and Nature of Instrument	GOVERNMENT OF INDIA GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES
Seniority	Senior
Mode of Issue	Private Placement
Issuance & trading mode of instrument	In Demat Only
Eligible Investors	(a) Qualified Institutional Buyers (QIBs), as defined in the under Regulation 2 (ss) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and (b) Any non-QIB investor including arranger(s), who are authorized to invest/to participate in the issue through an Electronic Book Mechanism of BSE (BSE BOND – EBP). All QIBs, arrangers who bid on their own as well as on behalf of others and any non-QIB Investors specifically mapped by the Issuer on the BSE BOND – EBP Platform, are eligible to bid / invest / apply for this Issue All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue The offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022)
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	On the Wholesale Debt Market (WDM) Segment of the BSE Ltd. As per Operational Circular Issued by SEBI “SEBI/HO/DDHS/P/CIR/2021/613” dated 10th August 2021 The company ensures that bonds are listed within T+4 days (T (trading days) = Issue Closing Date). In case bonds are not listed within T+4 days, the issuer shall;

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	(a) pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing); and (b) Be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchange.
Rating of the Instrument	“IND AAA (CE)/Stable” by India Ratings and Research Private Limited, and “CARE AAA (CE); Stable” by CARE Ratings Limited
Issue Size	Rs. 500 crore (‘Base Issue’) with green shoe option of Rs. 2,257.90 crore to retain over subscription
Minimum subscription	Rs. 500 crore
Option to retain oversubscription	Yes, Rs. 2,257.90 crore aggregating to Rs.2,757.90 crore
Objects of the Issue / Purpose for which there is requirement of funds	For repayment of Principal and interest amount of outstanding debts.
Details of the utilization of the Proceeds	The proceeds of the issue shall be utilized as per the object clause of the term sheet.
Coupon Rate	7.87 % per annum payable semi annually
Step-Up/ Step-Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Semi Annually
Coupon Payment Dates	Please refer to the cash flow illustration (Annexure XIII)
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count Basis (Actual/Actual)	Interest shall be computed on an “Actual/Actual basis” in accordance with SEBI dated 10 August 2021 circular number SEBI/HO/DDHS/P/CIR/2021/613, as amended (“SEBI Operational Circular”). If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next working day without provisioning the interest for additional days. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Cash Flow Illustration (Annexure XIII). If the maturity date, falls on a Sunday or a holiday, the redemption proceeds along with last coupon amount shall be paid on the previous working day till the last date use of principal amount. Where the Interest period (start date to end date) includes February 29, Interest shall be computed on 366 days-a-year basis.

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Interest on Application Money	As the Pay-In-Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.
Tenor	10 years from the deemed date of allotment.
Redemption Date	Wednesday, 01st December 2032
Redemption Amount	Rs. 10,00,000/- per bond
Redemption Premium / Discount	NIL
Issue Price	Rs. 10,00,000/- per bond
Discount at which security is issued and the effective yield as a result of such discount.	NIL
Put Date	None
Put Price	None
Call Date	None
Call Price	None
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	None
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	None
Face Value	Rs 10,00,000/- per bond
Minimum Bid Lot/Minimum Application and in multiples of thereafter	Minimum application is of 1 bond of face value of Rs. 10 lakhs and in multiple of 1 bond (Rs 10 Lakhs) thereafter

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Issue Timings	
1. Bid/Issue Opening Date	1. 30 th November 2022
2. Bid/Issue Closing Date	2. 30 th November 2022
3. Pay in Date	3. 01 st December 2022
4. Deemed Date of Allotment	4. 01 st December 2022
Business Day/ Working Day Convention	Working Days means all days on which commercial banks in the New Delhi is open for business. Explanation: For the purpose of this definition, in respect of i) Announcement of bid /issue period: working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the New Delhi is open for business; ii) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges: working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays
Effect of holidays	If the coupon payment date falls on Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future coupon payments would continue to be as per the schedule originally stipulated in this Placement Memorandum If the maturity Date (also being the last Coupon Payment Date) of the debt security falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day till the last date use of principal amount {In accordance with SEBI dated 10 August 2021 circular number SEBI/HO/DDHS/P/CIR/2021/613, as amended (“SEBI Operational Circular”)}
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of credit through RTGS/NEFT or any other electronic mode offered by the Bank. Wherever the payment is not possible due to non-availability of Banking Details, the payment of interest and repayment of principal shall be made by through DD. DD shall be dispatched through Speed Post. The interest payment mode of payment is subject to the Regulation 12 of SEBI (LODR), Regulation 2015.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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Disclosure of Interest/ Redemption Date	Please refer to the cash flow illustration (Annexure XIII)
Record Date	15 days prior to each Coupon Payment Date and Redemption Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Placement Memorandum and all other documents containing ratings, Debenture Trustee Consent, Sovereign Guarantee letter, Presidential Approval, Tripartite Agreement and RTA Consent
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum	Bonds/Debentures are backed by Sovereign Guarantee of GoI vide Ministry of Finance OM No. 12(21)-(B)(SD)/2022 dated 02nd September 2022 The Bonds are secured by way of unconditional and irrevocable guarantee and continuing obligation for payment of principal amount of the Bonds issued by the Company, normal Interest thereon as agreed to be guaranteed by the GOI
Transaction Documents	The Issuer has executed already/executed the documents including but not limited to the following in connection with the Issue: Letter appointing Trustees to the Bondholders; Debenture Trusteeship Agreement; Debenture/Bond Trust Deed; Rating letter from India Ratings and CARE Ratings Tripartite Agreement between the MTNL; Registrar and NSDL for issue of Bonds in dematerialized form; Tripartite Agreement between the MTNL, Registrar and CDSL for issue of Bonds in dematerialized form; Letter appointing Registrar and agreement entered into between the

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	MTNL and the Registrar; Application made to BSE for seeking their in-principle approval for listing of Bonds; (to be sent on 01/12/2022 on receipt of funds from allottee) Listing Agreement with BSE; Letters appointing Arrangers to the Issue Tripartite/Guarantee Agreement.
Conditions precedent to disbursement	The subscription from investors shall be accepted for allocation and allotment by the MTNL subject to the following: 1. Rating letters from INDIA Ratings and CARE not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Executing the debenture trust deed, in favour of the Trustee 4. Letter from BSE conveying its in-principle approval for listing of Bonds
Conditions Subsequent to the disbursement	1. Maintaining a complete record of Placement Memorandum offers in Form PAS-5; 2. Filing a return of allotment of Debentures with complete list of all Debenture Holders in Form PAS-3 under Section 42(8) of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi and Haryana within 15 (fifteen) days of the Deemed Date of Allotment along with fee; 3. Credit of demat account(s) of the allottee (s) by number of Debentures allotted within the stipulated time period from the Deemed Date of Allotment; 4. Making listing application to BSE within 4 (four) days from the Deemed Date of Allotment of the Debentures and seeking listing permission within 4 (four) days from the Deemed Date of Allotment of the Debentures; 5. Executing the Debenture Trust Deed in favour of the Trustee prior to the listing of the Debentures and submit the same with BSE
Events of Default	Payment Default a. The Trustee shall within 30 days before each due date inform the Company in writing regarding the Due date and the provision of Adequate Funds by MTNL. The Company shall

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	ensure that Adequate funds are available in the Designated account latest by 10 calendar days before the Due date b. In case the Designated Account does not have Adequate Funds latest by Ten (10) days prior to the Due date, it shall constitute a payment Default. c. In case of a Payment Default “ the Trustee shall forthwith invoke the GOI Guarantee, in case the Designated account is not funded to the requisite extent by at least 8 days before the payment Due date by sending a notice to DOT. d. Any invocation of the guarantee pursuant to the Guarantee Agreement should be within Sixty (60) days from the Due date. In case the guarantee is not invoked within the stipulated period of Sixty (60) days, the guarantee shall cease to exist only for that portion of the Principal and/or Interest for which the guarantee has not been invoked.
Creation of Recovery Expense Funds	Bank Guarantee already executed with BSE
Conditions for breach of Covenants	As applicable as per Offer Document, Tripartite Agreement, other such agreements including the Bi-Partite Agreement and Trust Deed as and when entered as required under regulations.
Provisions related to Cross Default Clause	Not Applicable
Role and Responsibilities of Debenture Trustee	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Bond/ Debenture Trusteeship Agreement, Placement Memorandum and all other related transaction documents, with due care, diligence and loyalty. The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis.

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	The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request. SEBI vide its circular no. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 provide relaxation upto December 31, 2022 from the requirement of Regulation 58 (1) (b) of listing regulations. (Exception to send soft copies only upto 31/12/2022 and afterwards hard copies to be sent directly to debenture holders) Hard copies of full annual reports will be sent to those Debenture Holders who request for the same after 31/12/2022 as SEBI allowed to send soft copies only upto 31/12/2022; Soft copies of full annual reports to be sent to all NCD holders who have registered their email with issuer or depository
Risk factors pertaining to the issue	Please refer page number 54 to 59 of the Placement Memorandum
Manner of Settlement in the issue	Through Clearing Corporation/ICCL
Manner of Bidding	Closed Bidding
Manner of allotment	The allotment will be done on uniform yield basis in accordance with the SEBI Operational Circular.
Mode of Subscription /Settlement Cycle	Successful Bidders shall be required to transfer funds from bank account (s) registered with EBP to the bank account of the Clearing Corporation/ICCL to the extent of funds pay-in obligation on or before 10.30 hours on T + 1 day i.e. 01/12/2022, T being the bidding end date as per the operating guidelines for electronic book mechanism issued by BSE. {In accordance with SEBI dated 10 August 2021 circular number SEBI/HO/DDHS/P/CIR/2021/613, as amended ("SEBI Operational Circular")}

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Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the Courts at the city of Delhi only.
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MTNL reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by MTNL. In case if the Issue Closing Date/ Pay in Dates is/ are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by MTNL at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Dates may also be changed at the sole and absolute discretion of MTNL.

THESE DEBENTURES TO BE ISSUED DOES NOT FORMS PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021. THE FACE VALUE OF EACH DEBENTURE TO BE ISSUED ON PRIVATE PLACEMENT BASIS IS RS.10 LAKHS.

g. APPLICATION PROCESS

WHO CAN APPLY

Applications by Body Corporates/Companies/Public Financial Institutions/NBFCs/Statutory Corporations

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/constitutional documents / bye-laws; (ii) Resolution authorizing investment and containing operating instructions; (iii) Specimen signatures of authorized signatories;

Application by Scheduled Commercial Banks

The application must be accompanied by certified true copies of (i) Board Resolution authorizing investments or letter of authorization or Power of Attorney; and (ii) Specimen signatures of authorized signatories.

Application by Regional Rural Banks

The applications must be accompanied by certified true copies of (i) Government notification/Certificate of Incorporation/Memorandum and Articles of Association /other documents governing the constitution; (ii) Resolution authorizing investment and containing operating instructions; (iii) Specimen signatures of authorized signatories;

Application by Insurance Companies

The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney; (iii) resolution authorizing investment and containing operating instructions; and (iv) specimen signatures of authorized signatories.

Applications by Provident Funds, Superannuation Funds and Gratuity Funds

The application must be accompanied by certified true copies of (i) Trust deed/bye-laws/ regulations; (ii) Resolution authorizing investment; and (iii) Specimen signatures of authorized signatories.

Application by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by the Asset Management Companies ("AMCs") or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. The applications must be accompanied by certified true copies of (i) SEBI Registration Certificate and Trust Deed; (ii) Resolution authorizing investment and containing operating instructions; and (iii) Specimen signatures of authorized signatories.

Application by Co-operative Banks

The application must be accompanied by certified true copies of (i) resolution authorizing investment along with operating instructions/power of attorney; and (ii) Specimen signatures of authorized signatories.

Application by FPI

The applications must be accompanied by Constitutional documents and KYC documents.

Also, offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022)

Application by Registered Societies

The application should be accompanied by certified true copies of (i) Memorandum of Association / Deed / any other instrument regulating or governing the constitution of the society, and rules and regulations / byelaws of the Society; (ii) Resolution authorizing investment along with operating instructions / power of attorney; (iii) Proof of registration with relevant statutory authority; and (iv) Specimen signatures of authorized signatories.

Application by Private Trust

The application should be accompanied by certified true copies of the trust deed and specimen signatures of authorized signatories.

Application by a Portfolio Manager registered with SEBI

The application should be accompanied by certified true copy of (i) resolution of the Board of Directors, authorizing, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures along with authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities.

Applications under Power of Attorney/ Relevant Authority

In case of an application made under a Power of Attorney or resolution or authority, a certified true copy thereof along with Memorandum and Articles of Association and/or Bye-laws must be attached to the Application Form at the time of making the application, failing which, the Company reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the Authorized signatories must also be lodged along with the submission of the completed application. Further modifications/ additions in the Power of Attorney or authority should be notified to the Company at its registered office.

DISCLAIMER:

Please note that only those persons to whom this placement memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents/ authorizations/ information, which are likely to be required by the company. The company may, but is not bound to revert to any investor for any additional documents/ information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the company does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/ regulations/ guidelines, etc. Governing or regulating their investments as applicable to them and the company is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the company required to check or confirm the same. Nonresident Indians and overseas corporate bodies cannot apply for or hold these debentures.

SUBMISSION OF DOCUMENTS

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Government notification/ certificate of incorporation (in case of Primary Co-operative Bank and RRBs);
- SEBI registration certificate, if applicable;
- Board Resolution authorizing investment along with operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Form 15AA granting exemption from TDS on interest, if any;
- Form 15G/ 15H for claiming exemption from TDS on interest on application money, if any;
- Order u/s197 of Income Tax Act, 1961;
- Order u/s10 of Income Tax Act, 1961;
- Copy of PAN card issued by the Income Tax Department;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority.
- Duly filled, signed and stamped **“Part B of form PAS 4”**

PROCEDURE FOR APPLYING FOR DEMAT FACILITY

- i) The Applicant must have at least one beneficiary account with any of the DPs of NSDL/ CDSL prior to making the application.
- ii) The Applicant must necessarily fill in the investment and demat details (including the beneficiary account number and DPs ID appearing in the Application Form under the heading 'Details for Issue of debentures in Electronic/ Dematerialized Form'.)
- iii) Debentures allotted to an Applicant will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- iv) For subscribing the Debentures names in the Application Form should be identical to those appearing in the account details in the depository. In case of joint holders the names should necessarily be in the same sequence as they appear in the account details in the depository.
- v) Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrars to the Issue.
- vi) If incomplete/incorrect details are given under the heading 'Details for Issue of debentures in Electronic/ Dematerialized Form' in the Application Form it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- vii) For allotment of Debentures the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient the Issuer would not be liable for losses, if any.
- viii) Payment of Interest or repayment of principal would be made to those Debenture Holders whose names appear on the list of Beneficial Owners given by the Depositories to the Issuer as on Record Date/ book closure date. In case of those Debenture for which the Beneficial Owner is not identified by the Depository as on the Record Date/ book closure date, the Issuer would keep in abeyance the payment of Interest or repayment of principal, till such time that the Beneficial Owner is identified by the Depository and conveyed to the Issuer, whereupon the Interest or principal would be paid to the beneficiaries, as identified, within a period of 30 (thirty) days.
- ix) The Debentures shall be directly credited to the beneficiary account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the Applicant by the Registrars to the Issue but the confirmation of the credit of the Debentures to the Applicants Depository account will be provided to the Applicant by the Depository Participant of the Applicant.

HOW TO APPLY

This being a Placement Memorandum offer, investors who are established/resident in India and who have been addressed through this communication directly only are eligible to apply. ***Also, offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022)***

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- i) Successful bidders are required to do the funds pay-in from their same bank account which is updated by them in the BSE Bond - EBP Platform, while placing the bids and into the relevant designated bank account. In case of mismatch in the bank account details between BSE Bond - EBP Platform and the bank account from which payment is done by the successful bidder, the payment will be returned back. Payment should be made by the deadline specified by the BSE. In case of bids made by the arranger on behalf of eligible investors, funds pay-in shall be made from the bank account of such eligible investors.

Successful bidders should do the funds pay-in to the bank accounts of the Indian Clearing Corporation Limited as mentioned below/in BSE EBP operational guidelines.

Name of the	ICICI BANK	YES BANK	HDFC BANK
Name of the Beneficiary	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD
IFSC Code	ICIC0000106	YESBOCMSNOC	HDFC0000060
Bank Account	ICCLEB	ICCLEB	ICCLEB
Mode	NEFT/RTGS	NEFT/RTGS	NEFT/RTGS

Successful bidders must do the funds pay-in to the Designated Bank Account up to 10:30 am on the pay-in date ("Pay-in Time").

Note: In case of failure of any successful bidder to complete the funds pay-in by the Pay-in Time or the funds are not received in the ICCL's Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer and/or the Arranger shall not be liable to the successful bidder.

- ii) Cash, money orders, and postal orders shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs. 10 lakh per Debenture is payable on Pay-in date.
- iii) All Application Forms duly completed (along with all necessary documents as detailed in this Placement Memorandum) must be delivered before the closing of the Issue to the Arranger to the Issue. While forwarding the Application Form, Applicants must ensure that the relevant UTR number/ or any other evidence of having remitted the application money is obtained. Detailed instructions for filling up the Application Form are provided in **Annexure (XII)** in this Placement Memorandum.
- iv) Applications for the Debentures must be in the prescribed form **(Annexure XII)** and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications should be for the number of Debentures applied by the Applicant. Applications not completed in the prescribed manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be filled in the Application Form. This is required for the Applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

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- v) The Applicant or in the case of an application in joint names, each of the Applicant, should mention his/ her PAN allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the Investor should mention his PAN/GIR No. If the Investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the Applicant shall mention “Applied for” and in case the Applicant is not assessed to income tax, the Applicant shall mention ‘Not Applicable’ (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.
- vi) All Applicants are requested to tick the relevant column **“Category of Investor”** in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring **“approved security”** status for making investments. All Applicants are also requested to tick Investor type {**Qualified Institutional Buyers (“QIBs”)/ Non-Qualified Institutional Buyers (“Non-QIBs”)** in the Application Form. No separate receipts shall be issued for the application money. However, Arranger to the Issue at their designated branch (es) receiving the duly completed Application Form(s) will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the Applicant. Applications shall be deemed to have been received by the Issuer only when submitted to Arranger to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.
- vii) If the securities are to be held jointly, the payment is to be made from the account in the name of Applicant whose name appears first in the Application Form.
- viii) For further instructions about how to make an application for applying for the Debentures and procedure for remittance of application money, please refer to the Application Form carefully.
- ix) Bidders to ensure that they have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.
- x) Successful bidders to whom allocation has been confirmed to ensure that payment remitted by them for subscription to securities has been remitted/transferred from the bank account of the person subscribing to such securities.

***INVESTOR GRIEVANCE AND REDRESSAL SYSTEMS**

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavors to resolve the investor’s grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Debentures applied for, amount paid on application and details of collection center where the Application was submitted, may be

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addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ debenture certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Placement Memorandum.

Investor Relations Officer	Mr. S. R. Sayal
Designation/ Dept	Company Secretary
Address	Mahanagar Doorsanchar Sadan, 05th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
Ph No	011-24319020
Email	mtnlcsco@mtnl.in , mtnlcsco@gmail.com
Website	http://mtnl.in/

- h. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:** Not Applicable

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- i. **Disclosure prescribed under PAS – 4 of Companies (Prospectus and Allotment of Securities), Rules 2014**

FORM PAS – 4

[Pursuant to section 42 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

Private Placement Offer cum Application Letter

PART - A

1. GENERAL INFORMATION

- i) **Name, address, website and other contact details of the company indicating both registered office and corporate office;**

Sr.No	PARTICULARS	:	DETAILS
(i)	REGISTERED OFFICE OF THE ISSUER		
	Name	:	MAHANAGAR TELEPHONE NIGAM LTD.
	Address	:	Mahanagar Doorsanchar Sadan, 05th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
	Tele No	:	011-24319020
	Fax No	:	011-24324243
	Email	:	mtnlcsco@gmail.com
	Website	:	http://mtnl.in/
(ii)	CORPORATE OFFICE OF THE ISSUER		
	Name	:	MAHANAGAR TELEPHONE NIGAM LTD.
	Address	:	Mahanagar Doorsanchar Sadan, 05th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
	Tele No	:	011-24319020
	Fax No	:	011-24324243
	Email	:	mtnlcsco@gmail.com
	Website	:	http://mtnl.in/
(iii)	Compliance Officer		
	Name	:	S R Sayal
	Address	:	Mahanagar Doorsanchar Sadan 9, CGO Complex, Lodhi Road, New Delhi 110003;
	Tele No	:	011-24319020
	Email	:	mtnlcsco@mtnl.in , mtnlcsco@gmail.com
	Website	:	http://mtnl.in/
(iv)	Chief Finance Officer		
	Name	:	Yojana Das
	Address	:	Mahanagar Doorsanchar Sadan 9, CGO Complex, Lodhi Road, New Delhi 110003;.
	Tele No	:	011-24321095
	Email	:	dirfin@mtnl.in
	Website	:	http://mtnl.in/

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ii) Date of incorporation of the company

28-02-1986

iii) Business carried on by the company and its subsidiaries with the details of branches or units, if any;

Please refer page number 19 to 26 of the Placement Memorandum.

*** Subsidiaries with the details of branches or units, if any;**

Please refer page number 28 to 30 of the Placement Memorandum.

iv) Brief particulars of the management of the company;

Please refer page number 43 to 44 of the Placement Memorandum

v) Names, addresses, DIN and occupations of the directors;

Please refer page number 43 to 44 of the Placement Memorandum

vi) Management's perception of risk factors:

Please refer page number 54 to 59 of the Placement Memorandum

vii) Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:

i. Statutory dues - NIL

ii. Debentures and interest thereon - NIL

iii. Deposits and interest thereon - NIL

iv. Loans from any bank and financial institution and interest thereon – Please refer page number 54 of the Placement Memorandum

viii) Name, Designation, address and phone number, email ID of the nodal/compliance officer of the company, if any, for Placement Memorandum offer process;

Name	S R Sayal
Designation	Company Secretary
Address	MAHANAGAR TELEPHONE NIGAM LTD Mahanagar Doorsanchar Sadan, 05 th Floor, 9, CGO Complex, Lodhi Road, New Delhi 110003
Ph No	011-24319020
Email	mtnlcsco@mtnl.in , mtnlcsco@gmail.com
Website	http://mtnl.in/

ix) Any default in Annual filling of the company under the Companies Act 2013 or rules made thereunder.

No Default in Annual Filling

2. PARTICULARS OF THE OFFER

i. Financial Position of the Company for the last 3 financial year

Please refer **Annexure II**. For Full Annual Report for last 3 years, please refer <https://mtnl.in/annual.html>

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ii. Date of passing of board resolution;

The present placement of Bonds is being made pursuant to the resolution passed by the Board of Directors of the company at its meeting held on 12.08.2022. Please refer **Annexure V**.

iii. Date of passing of resolution in the general meeting, authorizing the offer of securities:

The shareholders in the Extra Ordinary General Meeting has approved raising of funds through issue of Bonds vide resolution passed in its meeting held on 10.10.2022. Please refer **Annexure VI**.

iv. Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued:

5,000 Government of India Guaranteed, Rated, Unsecured, Redeemable, Listed, Taxable, Non-Convertible Debentures of Face Value of Rs. 10 Lakh each at par with a base issue size of Rs 500 Crore and green shoe option to retain over subscription upto Rs 2,257.90 crore aggregating to total Issue size of Rs 2,757.90 crore on Private Placement basis.

v. Price at which the security is being offered including the premium, if any, along with justification of the price;

Face Value: Rs. 10 lakhs Issue Price: At par. Minimum application: 1 bond and in multiples of 1 bond thereafter

vi. Name and address of the valuer who performed valuation of the security offered and basis on which the price has been arrived at along with report of the registered valuer

Not Applicable

vii. Relevant Date with reference to which the price has been arrived at: Not Applicable

~~(Relevant Date means a date atleast thirty days prior to the date on which the general meeting of the company is scheduled to be held)~~

viii. The class or classes of persons to whom the allotment is proposed to be made

Eligible Investors for the issue -

(a) Qualified Institutional Buyers (QIBs), as defined in the under Regulation 2 (ss) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and

(b) Any non-QIB investor including arranger(s), who are authorized to invest/to participate in the issue through an Electronic Book Mechanism of BSE (BSE BOND –EBP).

All QIBs, arrangers who bid on their own as well as on behalf of others and any non-QIB Investors specifically mapped by the Issuer on the BSE BOND – EBP Platform, are eligible to bid / invest / apply for this Issue

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue

The offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022)

- ix. ~~Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [not required in case of issue of non-convertible debentures];~~**
- x. The proposed time within which the allotment shall be completed;**
The Issuer shall complete all the formalities related to allotment of securities within T+2 working days, T being the Issue Closing Date.
- xi. ~~The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non-convertible debentures];~~**
- xii. The change in control, if any, in the company that would occur consequent to the private placement; - Not Applicable, since the issue is in respect of issue of debentures not for equity.**
- xiii. The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price; -**
No allotment on private placement is made till this issue.
- xiv. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer; - Not Applicable**
- xv. Amount which the company intends to raise by way of proposed offer of securities**
Base issue size is Rs 500 Crores and Green shoe option to retain over subscription upto Rs 2,257.90 crores aggregating to Total Issue size of Rs 2,757.90 crore
- xvi. Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;**
Please refer to the term sheet of Placement Memorandum on page number 61 to 69.
- xvii. Proposed time schedule for which the private placement offer letter is valid;**
Please refer to the term sheet of Placement Memorandum on page number 61 to 69.
- xviii. Purposes and objects of the offer;**
Please refer to the term sheet of Placement Memorandum on page number 61 to 69.
- xix. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects**
NIL
- xx. Principle terms of assets charged as security, if applicable-**
The proposed issue is an **unsecured issue**.
- xxi. The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations;**
No such order passed.
- xxii. The pre-issue and post-issue shareholding pattern of the company in the following format:-**
Not Applicable since issue is of Private Placement of Debentures/Bonds

3. Mode of payment for subscription –

- **Cheque**
- **Demand Draft**
- **Other Banking Channels**

4. DISCLOSURES WITH REGARD TO INTERST OF DIRECTORS, LITIGATION ETC.

i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interest so far other persons.

Nil

ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.

The Promoter of the Company is President of India hence, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the promoter of the company during the last 3 years.

iii. Remuneration of directors (during the current year and last three financial years);

Current Year Period (01.04.2022 to 30.09.2022)

The remuneration paid to whole time Directors during the year 2022-23 (till date) is as under:

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		# Pravin Kumar Purwar, CMD	V RAMESH, DIRECTOR (TECHNICAL)	# Yojana Das Director (Finance)	# Arvind Vadnerkar , Director (HR)	
1.	Gross salary, Salary as per provisions contained in section 17(1) of the Incometax Act, 1961	NIL	NIL	NIL	NIL	NIL
	Value of perquisites u/s 17(2) Income –tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	Profit in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission as % of profit other, specify..	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify (Gratuity + LE)	NIL	NIL	NIL	NIL	NIL

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	Total (A)	NIL	NIL	NIL	NIL	NIL
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The charge of all functional directors in MTNL are given to the functional directors of BSNL without any extra remuneration. Therefore, no payment is made to the functional directors.

The Government nominee Directors on the MTNL's Board does not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company. The Independent Directors were paid sitting fee of Rs. 10,000/- per meeting for attending Board /Committee Meetings.

Details of Payment made towards sitting fee to Independent Directors during the year 2022-23 are given below:

Amount in Rs

Particulars of Remuneration	Name of Directors					Total
	Deepik a Mahaja n	Sarv Dama Bharat	Vishwas Phathak	Yogesh Kumar Tamarkar	Piyush Ranjan Nishad	
Independent Directors						
Fee for attending Board and its committee meetings, Commission, Others, please specify	30,000	20,000	20,000	NIL*	20,000	90,000
Total (B 1)	30,000	20,000	20,000	NIL	20,000	90,000
Other Non-Executive Directors						
Fee for attending Board Committee Meetings Commission Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
Total (B 2)	NIL	NIL	NIL	NIL	NIL	NIL
Total (B)=(B1 + B2)	30,000	20,000	20,000	NIL	20,000	90,000

FY 2021-22

The remuneration paid to whole time Directors during the year 2021-22 is as under:

Amount in Rs

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager					Total
		# Pravin Kumar Purwar, CMD	Sunil Kumar, Director (HR & EB) (Ceased to be Director w.e.f. 31.08.2021)	# Yojana Das Direct or (Finan ce)	# Arvind Vadnerkar, Director (HR) (Appointed Director w.e.f. 01.09.2021)	# Sushil Kumar Mishra, Director (Technical) (Ceased to be Director w.e.f. 31.03.2022)	

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1.	Gross salary, Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	NIL	1480447	NIL	NIL	NIL	1480447
	Value of perquisites u/s 17(2) Income –tax Act, 1961	NIL	396889	NIL	NIL	NIL	396889
	Profit in lieu of salary under section 17(3) Income-tax Act, 1961						
2.	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4.	Commission as % of profit other, specify..	NIL	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify (Gratuity + LE)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)	NIL	18,77,336	NIL	NIL	NIL	18,77,336

Ceiling as per the Act

The charge of all functional directors in MTNL are given to the functional directors of BSNL without any extra remuneration. Therefore, no payment is made to the functional directors.

The Government nominee Directors on the MTNL's Board does not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company. The Independent Directors were paid sitting fee of Rs. 10,000/- per meeting for attending Board /Committee Meetings.

Details of Payment made towards sitting fee to Independent Directors during the year 2021-22 are given below:

Amount in Rs

Particulars of Remuneration	Name of Directors				Total
	Deepika Mahajan	Sarv Dama Bharat	Vishwas Phathak	Yogesh Kumar Tamarkar	
Independent Directors					
Fee for attending Board and its committee meetings, Commission, Others, please specify	30,000	30,000	NIL*	NIL*	60,000
Total (B 1)	30,000	30,000	NIL	NIL	60,000
Other Non-Executive Directors					
Fee for attending Board Committee Meetings Commission Others, please specify	NIL	NIL	NIL	NIL	NIL
Total (B 2)	NIL	NIL	NIL	NIL	NIL
Total (B)=(B1 + B2)	30,000	30,000	NIL	NIL	60,000

* Shri Vishwas Phathak and Shri Yogesh Tamarkar, Independent directors of MTNL have relinquished their right to receive the sitting fees attending the Board and its Committee Meetings

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FY 2020-21

The Remuneration paid to Whole time Directors during the year 2020-21 is as under:

Amount in Rs

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager						Total Amount in Rupees
		Prav in Kumar Purwar, CM D	Shri Sunil Kumar, Director (HR & EB)	Shri Milind Vijay Joshi Director (Finance) (Ceased to be Director (Finance) w.e.f. 30.09.2020)	Shri Sanjeev Kumar, Director (Technical) (Ceased to be Director (Technical) w.e.f. 27.01.2021))	Shri Suresh Kumar Gupta Director (Finance) (Appointed as Director (Finance) w.e.f. 21.10.2020 & Ceased to be Director (Finance) w.e.f. 05.05.2021)	Shri Sushil Kumar Mishra, Director (Technical) Appointed Director (Technical) w.e.f. 09.03.2021	
1.	Gross salary, Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	NIL	2856276	1484756	2469309	NIL	NIL	6810341
	Value of perquisites u/s 17(2) Income –tax Act, 1961	NIL	848122	439203	757259	60262	NIL	2104846
	Profit in lieu of salary under section 17(3) Income-tax Act, 1961							
2.	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4.	Commission as % of profit other, specify..	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify (Gratuity + LE)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)	NIL	3704398	1923959	3226568	60262	NIL	8915187
Ceiling as per the Act								

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The Government nominee Directors on the MTNL's Board does not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company. The Independent Directors were paid sitting fee of Rs. 10,000/- per meeting for attending Board /Committee Meetings.

Details of Payment made towards sitting fee to Independent Directors during the year 2020-21 are given below:

Amount in Rs

Particulars of Remuneration	Name of Directors				Total
	Chinmay Basu	K. B. Gokulchandran	Padmaja Reddy	Suneeta Trivedi	
Independent Directors					
Fee for attending Board and its committee meetings, Commission, Others, please specify	20,000	40,000	40,000	40,000	1,40,000
Total (B 1)	20,000	40,000	40,000	40,000	1,40,000
Other Non-Executive Directors					
Fee for attending Board Committee Meetings Commission Others, please specify	NIL	NIL	NIL	NIL	NIL
Total (B 2)	NIL	NIL	NIL	NIL	NIL
Total (B)=(B1 + B2)	20,000	40,000	40,000	40,000	1,40,000

FY 2019-20

The Remuneration paid to Whole time Directors during the year 2019-20 is as under:

Amount in Rs

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Pravin Kumar Purwar, CMD (Ceased to be CMD w.e.f. 15.07.2019 and was Entrusted with additional charge of CMD w.e.f. 15.04.2020)	Shri Sunil Kumar, Director (HR & EB) (Entrusted with additional charge of CMD w.e.f. 24.07.2019 till 15.04.2020)	Shri Milind Vijay Joshi Director (Finance) (Ceased to be Director (Finance) w.e.f. 30.09.2020)	Shri Sanjeev Kumar, Director (Technical) (Ceased to be Director (Technical) w.e.f. 27.01.2021)	
1.	Gross salary, Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	981006	2644707	2281363	2534443	8441519
	Value of perquisites u/s 17(2) Income –tax Act, 1961	284388	765112	623751	760665	2433916
	Profit in lieu of salary under section 17(3)					

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	Income-tax Act, 1961					
2.	Stock Option	NIL	NIL	NIL	NIL	
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission as % of profit other, specify..	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify (Gratuity + LE)	NIL	NIL	NIL	NIL	NIL
	Total (A)	12,65,394	34,09,819	29,05,114	32,95,108	108,75,435

The Government nominee Directors on the MTNL's Board does not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company. The Independent Directors were paid sitting fee of Rs. 10,000/- per meeting for attending Board /Committee Meetings.

Details of Payment made towards sitting fee to Independent Directors during the year 2019-20 are given below:

Amount in Rs

Particulars of Remuneration	Name of Directors						Total
	Rakesh Nangia (Ceased to be director on 31.01. 2020)	Shri Ashok Mittal (Ceased to be director on 31.01. 2020)	Chinmay Basu	K. B. Gokulchandran	Padmaja Reddy	Suneeta Trivedi	
Independent Directors							
Fee for attending Board and its committee meetings, Commission, Others, please specify	70,000	70,000	40,000	30,000	60,000	90,000	3,60,000
Total (B 1)	70,000	70,000	40,000	30,000	60,000	90,000	3,60,000
Other Non-Executive Directors							
Fee for attending Board Committee Meetings Commission Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total (B 2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total (B)=(B1 + B2)	70,000	70,000	40,000	30,000	60,000	90,000	3,60,000

* Benefits Includes Travelling expenses, Contribution to PF & Pension Fund, Expenditure on Medical, Leave encashment, Other Expenses & Post-Retirement Medical Expenses etc.

** Performance Related Pay (PRP) paid to Functional Directors is based on the incentive scheme of the Company as per DPE Guidelines.

iv. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided:

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FY	Related Party Transactions (Please Refer)	Loans made or, guarantees given or securities provided
2021-22	Annexure II Page number 531 to 532	there was no loan or Guarantee given or securities provided by the MTNL under Section 186 of the Companies Act, 2013
2020-21	Annexure II Page number 297	
2019-20	Annexure II Page number 84	

v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark

Standalone Qualifications

FY	Number of Qualifications	Impact – Please refer	Management Reply - Please Refer
2021-22	14	Annexure III Page Number 39	Annexure II Page Number 662 to 670
2020-21	15	Annexure III Page Number 37	Annexure II Page Number 420 to 427
2019-20	12	Annexure III Page Number 35	Annexure II Page Number 197 to 203
2018-19	12	Annexure III Page Number 28 to 34	
2017-18	13	Annexure III Page Number 1 to 10	

Consolidated Qualifications

FY	Number of Qualifications	Impact – Please refer	Management Reply - Please Refer
2021-22	14	Annexure III Page Number 40	Annexure II Page Number 671 to 679
2020-21	16	Annexure III Page Number 38	Annexure II Page Number 428 to 436
2019-20	12	Annexure III Page Number 36	Annexure II Page Number 204 to 211
2018-19	12	Annexure III Page Number 20 to 27	
2017-18	13	Annexure III Page Number 11 to 19	

vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries – No

vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company – No such fraud in last three years

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5. FINANCIAL POSITION OF THE COMPANY

i. the capital structure of the company in the following manner in a tabular form

(A) the authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value

Particulars	Number of Securities	Aggregate Nominal Value (in Rs. Cr)
Authorized Capital		
Equity Share (Rs 10/-share)	3,500,000,000	3,500.00
Preference Share (Rs 100/- share)	650,000,000	6,500.00
Issued Capital		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL
Subscribed Capital		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL
Paid up Capital		
Equity Share (Rs 10/-share)	630,000,000	630.00
Preference Share (Rs 100/- share)	NIL	NIL
Paid up Capital (after offer)	Since the offer pertains to Non-Convertible Debentures, it will not have any impact on issued share capital of the Company	

(B) Size of the present offer; Please refer to the term sheet of Placement Memorandum on page number 61 to 69.

(C) Paid up capital: Please refer to i (a) above

- I. **After the offer;** since, the offer pertains to Non-Convertible Debentures, it will not have any impact on issued share capital of the Company
- II. **After conversion of convertible instruments** – Not Applicable

(D) Share premium account (before and after the offer): Since, the offer pertains to Non-Convertible Debentures, the Share Premium Account will not be impacted.

ii. The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

Details of existing share capital of company					
Sr. No.	Date of Allotment	No. of shares allotted	Face Value of Shares Allotted (in Rs Cr)	Price at which shares are allotted (Rs)	Form of Consideration
A	27.02.1986	60,00,00,000	600.00	10/-	59,99,98,400 equity shares were allotted as fully paid up pursuant to a contract without payment being received in cash
B	FY 1997-98	3,00,00,000	30.00	10/-	Fresh issue of Capital in Cash
	Total (A+B)	63,00,00,000	630.00	10/-	

Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments

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made for considerations other than cash and the details of the consideration in each case; - **No such allotment is made in the last one year preceding the date of the offer letter**

- iii. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;

Particulars	FY 2021 - 2022	FY 2020 - 2021	FY 2019 - 2020
Profit before tax	-2,602.59	-2,461.79	-3,695.68
Profit after tax	-2,602.59	-2,461.79	-3,695.68
Dividends declared by the Company	NIL	NIL	NIL

- iv. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

Year	Dividend	Interest Coverage Ratio
2022	NIL	0.14
2021	NIL	0.25
2020	NIL	-0.90

- v. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter;

For Standalone Financial Position - Please refer Page Number 31 to 36 of Placement Memorandum

For Consolidated Financial Position - Please refer Page Number 36 to 41 of Placement Memorandum

- vi. Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter;

For Standalone Cash Flow - Please refer Page Number 34 to 35 of Placement Memorandum

For Consolidated Cash Flow - Please refer Page Number 39 to 41 of Placement Memorandum

- vii. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company. –

FY	Change in Accounting Policy and its effect
2021-22	No Change
2020-21	No Change
2019-20	Effective April 1, 2019, Indian Accounting standard 116 “Leases” (Ind AS 116) has been adopted using the modified retrospective approach and accordingly the comparative for the earlier periods presented were not restated.

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Part B (to be filled by Applicant)

S. No.	Particulars	Detail
i.	Name	
ii.	Father name	
iii.	Complete address including Flat/House Number, street, locality, pin code	
iv.	Phone number	
v.	Email id	
vi.	PAN number	
vii.	Bank account details	

Signature

Initial of the Officer of the Company designated to keep record


एच. आर. सयाल
S. R. SAYAL
कंपनी सचिव / Company Secretary
मेट्रो निगम सहकारिता / MTNL Corporate Office
महानगर दूरसंचार भवन / Managarar Sancharakar Sadan
(सिटीको कॉम्प्लेक्स नई दिल्ली-110001/3, C.G.O. Complex, Lodi Road, New Delhi)

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6. DECLARATION BY THE DIRECTORS THAT

- a) The company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder
- b) The compliance with the said Act and the rules made thereunder does not imply that payment of interest or repayment of debentures, if applicable, is guaranteed by the Central Government.
However, since the issue is backed by Sovereign Guarantee from Central Government, the payment of interest or repayment of debentures is guaranteed by Central Government.
- c) The monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter and under Term Sheet section of Placement Memorandum;

I am authorized by the Board of Directors of the Company vide resolution number dated **12th August 2022** to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Mahanagar Telephone Nigam Limited



Authorized Signatory

S. R. SAYAL

कम्पनी सचिव / Company Secretary

S R Sayal

महानगर निगम कार्यालय / M.T.N.L., Corporate Office

महानगर दूतचक्र सदन / Mahanagar Dootanchakr Sadan

Date: 30th November 2022

3/3, C.G.D. Complex, Lodhi Road, New Delhi-110003

Place: New Delhi



XXI. ANNEXURE (S)

- 1. IN PRINCIPLE APPROVAL – ANNEXURE I**
- 2. EXTRACT OF ANNUAL REPORT (STANDALONE & CONSOLIDATED AUDITED FINANCIALS, AUDIT REPORT WITH MANAGEMENT REPLY, NOTES TO ACCOUNTS, ACCOUNTING POLICY RELATED PARTY DISCLOSURES & TRANSACTIONS, CONTINGENT LIABILITY ETC.) FOR LAST 3 YEARS AND UNAUDITED FINANCIALS FOR SEPTEMBER 30, 2022 – ANNEXURE II**
- 3. IMPACT OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FINANCIAL YEARS – ANNEXURE III**
- 4. SHARHOLDING PATTERN – ANNEXURE IV**
- 5. BOARD RESOLUTIONS – ANNEXURE V**
- 6. SHARE HOLDERS RESOLUTIONS – ANNEXURE VI**
- 7. RATING LETTER AND RATIONALE – ANNEXURE VII**
- 8. DEBENTURE TRUSTEE CONSENT– ANNEXURE VIII**
- 9. GUARANTEE LETTER AND PRESIDENTIAL APPROVAL – ANNEXURE IX**
- 10. REGISTRAR AND TRANSFER AGENT CONSENT – ANNEXURE X**
- 11. TRIPARTITE AGREEMENT – ANNEXURE XI**
- 12. APPLICATION FORM – ANNEXURE XII**
- 13. CASH FLOW ILLUSTRATION – ANNEXURE XIII**

Sr.No.	Qualification	Management Reply
ix	Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. 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 and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.	Noted and necessary instructions have been reiterated and WIP review is also continuously being done to ensure that the works are completed in time and there is no delay in the submission of completion certificates in case of works already completed but shown under WIP and as a result of such review the WIP has been got reduced and capitalised pertaining to previous years. However further efforts will be mopped up in 2022-23 also. In view of above and also the ongoing process of capitalisation of old to oldest WIP, management does not expect that there could be any impact and thereby the same is also not ascertainable at this stage.

Sr.No.	Qualification	Management Reply
x	Department of Telecommunication (DOT) had raised a demand of ₹ 3,313.15 Crores in 2012-13 on account of onetime charges for 2G spectrum held by the Company for GSM and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis. As explained the demand for spectrum usage for CDMA for ₹ 107.44 Crores has been withdrawn by DOT on account of rectification of actual usage. Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and ₹ 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 OTSC on spectrum allotted beyond 6.2 Mhz, directed Govt. to review the demand for spectrum allotted after 1-7-2008 and that too w.e.f 1-1-2013 in case the spectrum beyond 6.2 Mhz was allotted before 1-1-2013. As explained, as per the TDSAT orders also no further demand is raised till now and as per management based on TDSAT direction the demand, if any, cannot be more than ₹ 455.15 crores the same is considered as contingent liability.	Dept. of Telecom has levied onetime spectrum charges for the GSM and CDMA spectrum on MTNL and the spectrum given on trial basis to the extent of 4.4 Mhz in 1800 Mhz frequency is also included in the demand raised earlier on MTNL. As regards CDMA , MTNL has surrendered spectrum allotted on trial basis in respect of GSM and does not require to pay for CDMA spectrum as the allotment was within allotted quantum and D.O.T. was apprised of the same and the demand of ₹ 107.44 crores of CDMA was withdrawn on 28.10.2013. For GSM no notice or demand was raised for 2G(GSM) spectrum till date after initial demand dated 8/1/2013. Besides, ab-initio, the very policy of levy of one time spectrum charges by DOT itself has been challenged by private operators TDSAT directed vide judgment dated 4/7/2019 to review the OTSC, while setting aside the demands raised by DOT directed govt review the demand for spectrum allotted after 1/7/2008 and that too w.e.f 1/1/2013 in case the spectrum beyond 6.2 Mhz was allotted before 1/1/2013. Since MTNL spectrum was allotted much before 1/7/2018 as per TDSAT judgement dated 4/7/2019, the demand if any cannot be more than 415 crores. As no demand is raised by DOT after 4/7/2019 the contingent liability of Rs. 455 crores is disclosed although same is not expected to arise. However, the contingent liability of ₹ 455.15 crores is estimated on the basis of TDSAT judgement in this regard given in case filed by private operators. DOT will finalise the case on disposal of this litigation and action for MTNL will also be made clear by DOT on the same lines. As such only contingent liability on the basis of the legal verdict available on estimation basis is made. Hence this issue gets resolved once final decision of govt. is taken. In view of above there is no impact expected in this regard.

Sr.No.	Qualification	Management Reply
	In view of the above we are not in a position to comment on the correctness of the stand taken by the Holding Company and the ultimate implications of the same on the consolidated financial results of the Holding Company.	
xi	The Holding Company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter. The actual impact of the same on the consolidated financial result for the quarter and year ended March 31, 2022 is not ascertained and quantified.	It is already instructed to charge GST vide IM36 in all cases where there is no sub-meter. However, in cases where GST is not charged also, there will be not be any loss or gain to the govt, as the charges of GST by MTNL and claim of ITC by tenants firms/company will be having neutralising and nil effect. However IM 36 is reiterated in the year 2021-22 also and further IM 36A is issued directing units to comply and further action will be taken on confirmation of not having meter in current year, if such instances, are found out.
xii	The TDS on provision for Expenses (Accrued Liability) has not been deducted under chapter XVII-B of Income Tax Act, 1961. The actual impact of the same on the consolidated financial result for the quarter and the year ended March 31,2022 is not ascertained and quantified.	TDS is being deducted on vendors bills as and when credited when invoice are received. However if the liability provision is made on estimated basis at closing date of accounts, in the absence of any invoice or possibility of accurately assessing liability, provisional liability is being created in lump sum manner and not specifically to party account and the same is reviewed and reversed, if necessary, in the next year or quarter from accrued liability and credited to the vendor account as per actual transaction or invoice or confirmation. TDS will be deducted accordingly on receipt of invoice or at the time of credit to party account. This practice is being followed in MTNL consistently. The expert opinion from tax consultant also was obtained in this regard and the consultant also opined that as no credit is given to vendor/ party in books and liability is being created on estimation basis no TDS is required to be deducted. Management does not perceive any impact on account of it and further review, if necessary, will be made in 2022-23.

Sr.No.	Qualification	Management Reply
xiii	The Holding Company is making the 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 and the year ended March 31,2022 is not ascertained and quantified.	As per section 2(28) of income tax act 1961 interest is defined as interest accrued on account of any debt, deposit or any claim and the interest on delayed payments for purchases is not contemplated to be falling in the definition of interest on account of debt or deposit. Hence no such liability to deduct TDS in this regard arises. The expert opinion on this is received and is under review. In view of various judgements on this subject pronouncing that interest on delayed payments on purchases is not falling in the definition of section 2(28) of income tax act, 1961 and as opinion of consultant is under review, any further action if necessary will be considered by management in current financial year. However as per the settled law on the subject, TDS liability is not to arise as per the view of management and accordingly no impact is anticipated at this stage.
xiv	The income arising on account of rental income in respect of property occupied by the BSNL amounting to ₹ 33.52 Crores accrued during the year ended March 31st, 2022 respectively has not been recognized in Delhi unit in the Consolidated financial results. Further, the Goods and Services Tax (GST) has also not been considered in respect of income arising on account of rented property occupied by the BSNL for both Delhi and Mumbai unit. The accumulated impact on the 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.	Rental income against BSNL is booked only if acceptance of BSNL is available after joint inspections by both teams of MTNL and BSNL. However, where there is any dispute about building and or area or regarding title etc. between both companies., no income is booked due to uncertainty of realisation as per Ind AS. However, all such cases will be reviewed and the charging of rental will be done if no issues are there. Otherwise the issue will be referred to DOT for further guidance as the occupation of the space by BSNL (NOW) in most of the cases was under DoT regime i.e. before the period when BSNL was not formed so that the issue can be decided once and for all.



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

MTNL/SECTT/SE/2022
November 14, 2022

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

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

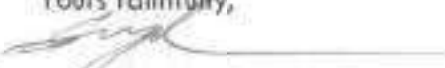
**Sub: Compliance of Regulation 33 & 52 of the SEBI (LODR) Regulations, 2015:
Submission of Un-audited Reviewed Financial Results along with Limited Review
Report for the Quarter ended 30th September, 2022.**

Dear Sir,
Further to our letter of even no.dtd. **October 27, 2022**, we are forwarding herewith the Unaudited Reviewed Financial Results prepared as per Ind AS along with the Limited Review Report submitted by the Statutory Auditors of the Company for the Quarter ended 30th September, 2022 duly approved by the Board of Directors in its Meeting held in New Delhi today i.e. **14th November, 2022**.

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

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

Thanking you,
Yours faithfully,


(S.R. SAYAL)
COMPANY SECRETARY

Encl: A/a

①

MAHANAGAR TELEPHONE NIGAM LIMITED

(A Govt. of India Enterprise)

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

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

CIN No: L32101DL1986GOI023501

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2022

(Rs. in Crore)

Sl. No.	Particulars	STANDALONE					
		Three Month Ended			Six Month Ended		Year Ended
		3 months ended 30/09/2022	Preceeding 3 months ended 30/06/2022	Corresponding 3 months ended 30/09/2021 in the previous year	Year to date figures for Current period ended 30/09/2022	Year to date figures for previous period ended 30/09/2021	Previous year ended 31/03/2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	220.21	235.83	287.89	456.03	571.70	1,069.72
II	Other Income	137.18	149.51	119.55	286.69	234.47	627.18
III	Total Income (I + II)	357.38	385.34	407.44	742.72	806.17	1,696.90
IV	Expenses						
	Changes in Inventories	0.15	0.04	0.04	0.19	0.11	0.21
	License Fees & Spectrum Charges	19.90	21.20	29.07	41.10	60.54	102.05
	Employees' Remuneration and benefits	131.99	138.78	119.37	270.77	270.40	555.02
	Finance cost	581.01	540.12	532.99	1,121.14	1,049.04	2,139.45
	Revenue Sharing	14.01	13.66	32.00	27.67	63.67	87.39
	Depreciation and amortization expense	180.32	180.03	187.54	360.34	386.22	759.01
	Administrative Expenses	167.07	141.36	159.64	308.42	317.52	656.36
	Total Expenses (IV)	1,094.45	1,035.19	1,060.65	2,129.64	2,147.50	4,299.49
V	Profits/(Loss) before exceptional items and tax(III-IV)	(737.07)	(649.84)	(653.21)	(1,386.91)	(1,341.33)	(2,602.59)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit/ (Loss) before tax (V- VI)	(737.07)	(649.84)	(653.21)	(1,386.91)	(1,341.33)	(2,602.59)
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
IX	Profit/ (Loss) for the period from continuing operations (VII - VIII)	(737.07)	(649.84)	(653.21)	(1,386.91)	(1,341.33)	(2,602.59)
X	Profit/ (Loss) from discontinued operations	-	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-	-
XII	Profit/ (Loss) from Discontinued Operations (after tax) (X- XI)	-	-	-	-	-	-
XIII	Profit/ (Loss) for the period (IX + XII)	(737.07)	(649.84)	(653.21)	(1,386.91)	(1,341.33)	(2,602.59)
XIV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	2.42	-	(5.75)	2.42	(5.75)	(13.98)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
B	i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income for the year	2.42	-	(5.75)	2.42	(5.75)	(13.98)
XV	Total Comprehensive Income for the period (XIII+XIV)	(734.66)	(649.84)	(658.96)	(1,384.50)	(1,347.08)	(2,616.57)
XVI	Paid up Equity Share Capital						630.00
XVII	Other Equity excluding revaluation reserves						(19,286.45)
XVIII	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised)						
	(1) Basic	(11.70)	(10.31)	(10.37)	(22.01)	(21.29)	(41.31)
	(2) Diluted	(11.70)	(10.31)	(10.37)	(22.01)	(21.29)	(41.31)
XIX	Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised)						
	(1) Basic	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-
XX	Earnings per equity Share of Rs.10 each (for discontinued & continuing operations): (not annualised)						
	(1) Basic	(11.70)	(10.31)	(10.37)	(22.01)	(21.29)	(41.31)
	(2) Diluted	(11.70)	(10.31)	(10.37)	(22.01)	(21.29)	(41.31)

See accompanying notes to the financial results:

May kindly see for approval for publishing in Newspapers and sending to Stock Exchanges.

Director (Fin) *Y. Das*
14/11



(2)

Notes to Standalone Financial Results:

- The financial results have been prepared in accordance with the Indian Accounting Standards (Ind- AS) as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- The above results have been reviewed by the Audit Committee in their meeting held on 14.11.2022 and approved by the Board of Directors of the Company at their meeting held on the same date.
- Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015

S.No.	Particulars	Three Month Ended			Six Month Ended		Year Ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
a	Debt Service Coverage Ratio (in times) [EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt)]	0.02	0.06	0.09	0.04	0.06	0.08
b	Interest Service Coverage Ratio (in times) [EBITDA / Finance Cost]	0.04	0.13	0.13	0.08	0.09	0.14
c	Outstanding Redeemable Preference shares (quantity and value) (in Rs Crs)	-	-	-	-	-	-
d	Capital Redemption Reserve (in Rs Crs)	-	-	-	-	-	-
e	Debt Redemption Reserve (in Rs Crs) #	-	-	45.27	-	45.27	-
f	Net Worth (in Rs Crs) (As per Section 2 (57) of Companies Act 2013)	(20,040.96)	(19,306.29)	(17,386.97)	(20,040.96)	(17,386.97)	(18,656.45)
g	Net Profit After Tax (in Rs Crs)	(737.07)	(649.84)	(653.21)	(1,386.91)	(1,341.33)	(2,602.59)
h	Earnings Per Share (in Rs) [Not Annualised]	(11.70)	(10.31)	(10.37)	(22.01)	(21.29)	(41.31)
i	Current Ratio (in times) [Current Assets / Current Liabilities]	0.35	0.43	0.45	0.35	0.45	0.42
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) / Total Equity]	(1.38)	(1.41)	(1.50)	(1.38)	(1.50)	(1.43)
k	Long Term Debt to Working Capital (in times) Long Term Debt excluding lease liability + Current Maturities of Long Term Debt Working Capital excluding current maturities of Long Term Borrowings	(2.46)	(3.69)	(4.07)	(2.46)	(4.07)	(4.12)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.01	0.02	0.00	0.01	0.00	0.01
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.51	0.47	0.42	0.51	0.42	0.44
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	2.33	2.28	2.05	2.33	2.05	2.18
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.31	1.34	1.37	1.35	1.36	1.50
p	** Paid up Debt Capital/Outstanding Debt (in Rs. Crs)	18,199.40	19,112.21	19,092.64	18,199.40	19,092.64	19,661.18
q	Operating Margin (%) [(EBIT - Other Income) / Revenue from Operations]	-133.16%	-109.93%	-83.29%	-121.15%	-92.14%	-101.93%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	-334.72%	-275.56%	-226.90%	-304.12%	-234.62%	-243.30%

- # MTNL is a listed company and issued debentures on private placement basis, there is no adequacy to maintain Debt Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) of Companies (Share Capital and Debenture) Rules, 2014.
- ** Paidup debt Capital/Outstanding Debt (excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 4,533.97 Cr for which the liability to pay interest and principal is on Government of India). Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- As the principal activities of group company are in the nature of services, so Inventory Turnover ratio is not relevant.
- The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation.

For and on behalf of the Board

(P.K.Purwar)

Chairman & Managing Director
DIN: 06619060

Place : New Delhi
Date : 14.11.2022



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MAHANAGAR TELEPHONE NIGAM LIMITED

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

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

CIN No: I32101DL1986GOI023501

UNAUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2022

(Rs. in Crore)

		STANDALONE					(Rs. in Crores)
		Three Month Ended			Six Month Ended		Year Ended
Sl. No.	Particulars	3 months ended 30/09/2022	Preceeding 3 months ended 30/06/2022	Corresponding 3 months ended 30/09/2021 in the previous year	Year to date figures for Current period ended 30/09/2022	Year to date figures for previous period ended 30/09/2021	Previous year ended 31/03/2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	Revenue from Operations						
	Basic & other Services	210.04	223.37	250.77	433.41	502.03	992.63
	Cellular	10.56	12.80	37.46	23.36	70.36	78.45
	Unallocable	-	-	-	-	-	-
	Total	220.60	236.17	288.23	456.77	572.39	1,071.07
	Less: Inter Segment Revenue	0.39	0.34	0.34	0.74	0.69	1.35
	Net Revenue from Operations	220.21	235.83	287.89	456.03	571.70	1,069.72
2.	Segment Result before interest income, exceptional items, finance cost and tax						
	Basic & other Services	(35.91)	9.74	(18.64)	(26.17)	(82.96)	(141.38)
	Cellular	(110.27)	(110.53)	(113.69)	(220.80)	(210.85)	(440.46)
	Unallocable	(10.56)	(11.54)	8.41	(22.09)	(4.45)	35.31
	Total	(156.73)	(112.33)	(123.92)	(269.06)	(298.27)	(546.53)
	Add: Exceptional items	-	-	-	-	-	-
	Add: Interest Income	0.68	2.61	3.70	3.28	5.98	83.39
	Less: Finance cost	581.01	540.12	532.99	1,121.14	1,049.04	2,139.45
	Profit/ (Loss) before tax	(737.07)	(649.84)	(653.21)	(1386.91)	(1341.33)	(2602.59)
	Less: Provision for Current Tax & Deferred tax	-	-	-	-	-	-
	Profit/ (Loss) after tax	(737.07)	(649.84)	(653.21)	(1,386.91)	(1,341.33)	(2,602.59)
3.	Capital Employed (Segment Assets - Segment Liabilities)						
	Segment Asset						
	Basic & other Services	6,562.45	6,607.38	7,037.19	6,562.45	7,037.19	6,633.66
	Cellular	3,767.26	3,832.95	4,188.20	3,767.26	4,188.20	3,922.68
	Unallocable/Eliminations	1,606.04	1,578.18	1,546.22	1,606.04	1,546.22	1,747.30
	Total Segment Assets	11,935.75	12,018.51	12,771.61	11,935.75	12,771.61	12,303.64
	Segment Liabilities						
	Basic & other Services	2,732.16	2,708.03	2,676.82	2,732.16	2,676.82	2,688.53
	Cellular	27,115.34	26,602.10	25,070.78	27,115.34	25,070.78	26,070.37
	Unallocable/Eliminations	2,129.20	2,014.68	2,410.98	2,129.20	2,410.98	2,201.19
	Total Segment Liabilities	31,976.70	31,324.81	30,158.58	31,976.70	30,158.58	30,960.09
	Segment Capital Employed						
	Basic & other Services	3,830.28	3,899.35	4,360.37	3,830.28	4,360.37	3,945.13
	Cellular	(23,348.08)	(22,769.15)	(20,882.58)	(23,348.08)	(20,882.58)	(22,147.69)
	Unallocable/Eliminations	(523.16)	(436.50)	(864.76)	(523.16)	(864.76)	(453.89)
	Capital Employed	(20,040.96)	(19,306.30)	(17,386.97)	(20,040.96)	(17,386.97)	(18,656.46)

For and on behalf of the Board

(P.K. Purwar)

Chairman & Managing Director

DIN: 06619060

Place : New Delhi
Date : 14.11.2022

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MAHANAGAR TELEPHONE NIGAM LIMITED

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

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CIN No: L32101DL1986GOI023501

STANDALONE STATEMENT OF ASSETS AND LIABILITIES**(Rs. in Crore)**

Particulars	STANDALONE	
	As at 30.09.2022	As at 31.03.2022
	UNAUDITED	AUDITED
ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	2,832.26	2,982.74
(b) Capital work-in-progress	64.47	73.98
(c) Right-of-Use Asset	394.80	405.83
(d) Investment Property	62.25	62.09
(e) Intangible assets	1,930.92	2,097.96
(f) Financial Assets		
(i) Investments	106.13	106.13
(ii) Loans	3.05	3.43
(iii) Others	183.25	215.57
(g) Non Current Tax Asset	581.91	563.17
(h) Other Non-Current Assets	32.06	30.31
Total non-current assets	6,191.10	6,541.21
(2) Current assets		
(a) Inventories	5.58	6.55
(b) Financial Assets		
(i) Trade Receivables	687.48	662.36
(ii) Cash and cash equivalents	86.45	77.25
(iii) Bank Balances other than (ii) above	0.01	12.04
(iv) Loans	4.08	3.08
(v) Other Financial Assets	4,632.78	4,599.32
(c) Other current assets	292.37	365.93
Total Current assets	5,708.75	5,726.53
(3) Asset held for sale	35.90	35.90
Total Assets (1+2+3)	11,935.75	12,303.64
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share Capital	630.00	630.00
(b) Other Equity	(20,670.96)	(19,286.45)
Total Equity	(20,040.96)	(18,656.45)
LIABILITIES		
(i) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	15,059.32	16,565.55
(ii) Lease Liabilities	130.72	143.78
(iii) Other Financial Liabilities	104.29	194.13
(b) Long Term Provisions	372.75	385.72
(c) Other Non Current liabilities	67.39	73.88
Total Non-Current Liabilities	15,734.47	17,363.06
(ii) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	12,524.51	10,040.92
(ii) Lease Liabilities	69.71	68.44
(iii) Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises	103.46	98.09
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,139.71	941.97
(iv) Other Financial Liabilities	1,721.52	1,822.72
(b) Other current liabilities	644.72	600.22
(c) Short Term Provisions	38.59	24.67
Total Current Liabilities	16,242.23	13,597.03
Total Liabilities (i) + (ii)	31,976.70	30,960.09
Total Equity and Liabilities (1 + 2)	11,935.75	12,303.64

For and on behalf of the Board

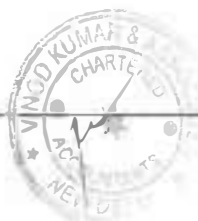
(P. K. Purwar)

Chairman & Managing Director

DIN: 06619060

Place : New Delhi

Date : 14.11.2022



5

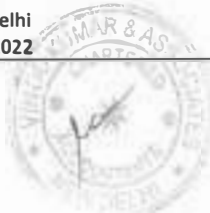
MAHANAGAR TELEPHONE NIGAM LIMITED		Annexure IV	
Unaudited Standalone Cash Flow Statement for the half year ended 30th September, 2022		(Rs. in crores)	
		Half Year ended	
		30th Sept. 2022	30th Sept. 2021
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax		
	Continuing operations	(1386.91)	(1341.33)
	Discontinued operations	-	-
		(1386.91)	(1341.33)
	Adjustments for:		
	Depreciation expense	193.17	219.02
	Amortisation expense	167.18	167.20
	Loss/ Gain on disposal of property, plant and equipment (Net)	(0.06)	0.02
	Dividend Income	(0.40)	(0.48)
	Interest income	(3.28)	(5.98)
	Excess provisions written back	(45.21)	(37.01)
	Provision for doubtful debts including discount	50.96	54.45
	Provision for obsolete inventory	1.08	16.99
	Provision for doubtful claims	0.13	1.10
	Loss of assets	0.60	3.36
	Provision For Abandoned Work- CWIP	-	-
	Remeasurement gains and loss on employee benefit obligations	2.42	(5.75)
	Finance costs	1121.14	1049.04
	Bad debts recovered	(0.00)	(0.00)
	Bad debts written off	3.90	0.38
	Operating profit before working capital changes	104.70	121.01
	Movement in working capital		
	(Increase)/ Decrease in loans	(0.47)	(88.95)
	(Increase)/ Decrease in inventories	(0.11)	(15.39)
	(Increase)/ Decrease in other financial assets	0.99	(103.84)
	(Increase)/ Decrease in other assets	71.81	290.51
	(Increase)/ Decrease in trade and other receivables	(79.99)	(128.15)
	Increase/ (Decrease) in other financial liabilities	(234.67)	19.16
	Increase/ (Decrease) in other liabilities	38.01	35.61
	Increase/ (Decrease) in provisions, trade and other payables	248.90	102.41
	Cash flow from operating activities post working capital changes	149.18	232.37
	Income tax (paid)/refunds (net)	(18.74)	(11.03)
	Net cash flow from operating activities (A)	130.43	221.33
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment, Investment property and Intangible assets (including capital work-in-progress) (net of sale proceeds)	(7.76)	0.41
	Movement in fixed deposits (net)	12.03	166.19
	Dividend received	0.40	0.48
	Interest received	0.87	1.19
	Net cash flows used in investing activities (B)	5.54	168.27
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds and repayment from long-term borrowings (net)	(1464.61)	(584.46)
	Proceeds and repayment of short-term borrowings (net)	2439.13	1233.07
	Finance cost paid	(1065.05)	(1018.35)
	Payment towards Lease Liability	(36.24)	(40.71)
	Net cash used in financing activities (C)	(126.77)	(410.46)
	Increase in cash and cash equivalents (A+B+C)	9.20	(20.86)
	Cash and cash equivalents at the beginning of the year	77.25	103.76
	Cash and cash equivalents at the end of the period	86.45	82.90

For and on behalf of the Board

(P. K. Purwar)

Chairman & Managing Director
DIN: 06619060

Place : New Delhi
Date : 14.11.2022



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

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

Independent Auditor's Review Report on Standalone Unaudited Financial Results for Quarter and Half year ended September 30th, 2022 of Mahanagar Telephone Nigam Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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

1. We have reviewed the accompanying statement of unaudited standalone financial results ("The Statement") of MAHANAGAR TELEPHONE NIGAM LIMITED ("The Company") for the Quarter and Half year ended September 30th, 2022, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would



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become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. Basis for Qualified Conclusion

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

4. Qualified Conclusion

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

5. Emphasis of Matter

- i. With reference to pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Company u/s 80 IA of the Income Tax Act, 1961 we are unable to comment on the adequacy or otherwise of the provision and / or contingency reserve held by the Company.
- ii. Impact of accounting of claims and counter claims of MTNL with M/s M&N Publications Ltd., in a dispute over printing, publishing and supply of telephone directories for MTNL, will be given in the year when the ultimate collection / payment of the same becomes reasonably certain.
- iii. Amount receivable from BSNL & Other Operators have been reflected as loans and other financial assets instead of bifurcating the same into trade receivables and other financial assets.
- iv. The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) of Combined Service Optees absorbed employees in MTNL and the matter has been under review with DOT and the full amount of GPF including interest thereon, claimed of the Company in respect of which correspondence in going on between the Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.



- v. The payables towards license fees and spectrum usage charges have been adjusted with excess pension payouts to Combined Pensioners Optees recoverable from DOT in respect of which matter is under consideration and correspondence in going on between the Company and DOT.
- vi. The License agreement between Company and DOT does not have any guidance on change in method of calculation of Adjusted Gross Revenue (AGR) due to migration to Ind-AS from I-GAAP. Provisioning and payment of liability in respect of license fees and spectrum usage charges payable to DOT has been done on the basis of Ind-AS based financial statements. The amount of difference in computation of Adjusted Gross Revenue (AGR) is under consideration of DOT.
- vii. Certain immovable properties transferred from Department of Telecommunications ('DoT') to MTNL in earlier years, which were taken on lease by DoT prior to incorporation of MTNL. On 30 March 1987, both DoT and MTNL entered into a sale deed for transfer of the several movable and immovable assets from DoT to MTNL. The said transfer includes the leasehold lands and buildings which are now in possession of MTNL since the execution of the sale deed. These leasehold immovable properties have not been mutated or renewed in the name of MTNL till date. However, considering MTNL is a Public Sector Undertaking ('PSU'), the sale deed not registered at that time and executed by DOT is deemed to have been registered for the purpose of transfer of all such assets in terms of section 90 of the Indian registration act, 1908 as considered by the MTNL and stamp duty payable, if any, will be borne and paid by Government as and when any such occasion arises as per sale deed. Accordingly, these leasehold immovable properties has been classified by the management under the heading 'Right of Use assets'.
- viii. In certain cases of freehold and leasehold land, the company is having title deeds which are in the name of the Company but the value of which are not lying in books of accounts of the Company.
- ix. Income arising on account of Revenue Sharing with BSNL in respect of lease circuits provided has not been recognized in terms of Memorandum of Understanding (MOU) between BSNL and MTNL. As per MOU, revenue and expenditure will be based on the price offered to the customers after applying the discount, if any at the time of acquiring the business. However, Revenue has been recognized on the basis of available information which is either based on the Company Card Rates or Old rates of BSNL. In Some Cases, BSNL has given the information in respect of updated rated but the same has not been considered at the time of booking of revenue sharing with BSNL. In the absence of relevant updated records, we are not in a position to comment on the impact thereof on the standalone financial results.
- x. 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.



- xi. In pursuance DoT letter No. F.No. 30-04/2019-PSU Affairs dt. 29 October, 2019 and decision of Board of Directors of MTNL through circular regulation on 4th November, 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from 4th November 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. As such no provision of VRS compensation is considered in the books of company. Balance amount payable to VRS opted employees as on September 30th, 2021 is shown as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL.
- xii. Out of the total revenue from operations for the quarter and half year ended September 30th, 2022 of Rs. 220.21 Crores and Rs. 456.03 Crores respectively, Revenue of Rs. 1.23 Crores has been computed and accounted for Interconnect billing for the quarter and half year ended September 30th, 2022 respectively, on the basis of assumption of Incoming traffic (in minutes) of June 2022 and July 2022.

Our conclusion is not modified in respect of aforesaid matters.

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



CA Mukesh Dadhich
Partner
Membership No.: 511741
UDIN: 22511741BDCATM8309

For SPMG & Co.
Chartered Accountants
Firm Registration No.: 509249C



CA Mandeep Singh Arora
Partner
Membership No.: 091243
UDIN: 22091243BDCAIA6128

Place: New Delhi
Date: 14th November, 2022

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

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

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

- i. The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the quarter and half year ended September 30th, 2022 as well as in the previous year and the current liabilities exceeded the current assets substantially.

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

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

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

Recently, as per F.NO.20-28/2022-PR dated 2nd August, 2022, the Union Cabinet in its meeting held on 27.07.2022 has approved the raising of Sovereign Guarantee bonds for MTNL with a tenure of 10 years or more for an amount of Rs. 17,571 crores in two financial years i.e 2022 & 2023 with waiver of guarantee fee to repay its high cost debt and restructure it with new sustainable loan.

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

- a) The Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3512.98 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone financial results of the Company.

- b) The Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs.115.97 Crores has not been carried forward resulting in understatement of loss to that extent.

- iii. The Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 165.23 Crores, Out of which Rs. 165.08 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone financial results of the Company.



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- iv. Up to financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent.
- v. The Company had allocated the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the standalone financial results for quarter and half year ended September 30th, 2022 is not ascertained and quantified.
- vi. Except for the impairment loss of assets of CDMA units provided in earlier years, no adjustment has been considered on account of impairment loss, if any, during the quarter, and half year ended September 30th, 2022 with reference to Indian Accounting Standard – 36 “Impairment of Assets” prescribed under Section 133 of the Act. In view of uncertainty in achievement of future projections made by the Company, we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the quarter and half year ended September 30th, 2022.
- vii. The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and others parties and amount payables to trade payables, claim payable to operators, and amount payable to other parties. Accordingly, amount receivables from and payables to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliations, the impact thereof on the standalone financial results are not ascertainable and quantifiable.
- viii. Unlinked credit of Rs. 73.34 Crores on account of receipts from subscribers against billing by the Company which could not be matched with corresponding receivables is appearing as liabilities in the balance sheet. To that extent, trade receivables and current liabilities are overstated. Pending reconciliations, the impact thereof on the standalone financial results are not ascertainable and quantifiable.
- ix. Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. 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 standalone financial results by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.

Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 Crores in 2012-13 on account of one-time charges for 2G spectrum held by the Company for GSM



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and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis.

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

Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3205. 71 Crores has been disclosed as contingent liability till FY 2018-19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTSC on spectrum allotted beyond 6.2 Mhz , directed Govt. to review the demand for spectrum allotted after 1-7-2008 and that too w.e.f 1-1-2013 in case the spectrum beyond 6.2 Mhz was allotted before 1-1-2013. As explained, as per the TDSAT orders also no further demand is raised till now and as per management based on TDSAT direction the demand, if any, cannot be more than Rs 455.15 crores the same is considered as contingent liability. In view of the above we are not in a position to comment on the correctness of the stand taken by the Company and the ultimate implications of the same on the standalone financial results of the Company.

- xi. The company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter. The actual impact of the same on the standalone financial results for the quarter and half year ended September 30th 2022 has not been ascertained and quantified.
- xii. The TDS on provision for Expenses (Accrued Liability) has not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the standalone financial results for the quarter and half year ended September 30th, 2022 has not been ascertained and quantified.
- xiii. The Company is making the provision for interest for late/non-payment to MSME vendors and the company has not complied with the provision of chapter XVII- B of Income Tax Act, 1961 on such provision for interest. The actual impact of the same on the standalone financial results for quarter and half year ended September 30th, 2022 is not ascertained and quantified.
- xiv. The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs. 8.38 Crores accrued and Rs. 16.76 Crores accrued during the quarter and half year ended September 30th 2022 respectively has not been recognized in Delhi unit in the Standalone financial results. Further, the Goods and Services Tax (GST) has also not been considered in respect of income arising on account of rented property occupied by the BSNL for both Delhi and Mumbai unit. The accumulated impact on the standalone financial results of such income and liability under Goods and Services Tax (GST) for the current year and preceding years is not ascertained and quantified.



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

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii) and (xiv) on the standalone financial result of the Company for the quarter and half year ended September 30th 2022.

For Vinod Kumar & Associates

Chartered Accountants

Firm Registration No.: 002304N


CA Mukesh Dadhich
Partner



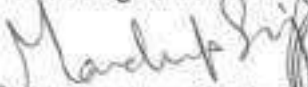
Membership No.: 511741

UDIN: 22511741BDCATM8309

For SPMG & Co.

Chartered Accountants

Firm Registration No.: 509249C


CA Mandeep Singh Aora
Partner



Membership No.: 091243

UDIN: 22091243BDCAIA6128

Place: New Delhi

Date: 14th November, 2022

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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							Annexure I
CIN No: L32101DL1986GOI023501 STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2022							(Rs. in Crore)
Sl. No.	Particulars	CONSOLIDATED					
		Three Month Ended			Six Month Ended		Year Ended
		3 months ended 30/09/2022	Preceding 3 months ended 30/06/2022	Corresponding 3 months ended 30/09/2021 in the previous year	Year to date figures for Current period ended 30/09/2022	Year to date figures for previous period ended 30/09/2021	Previous year ended 31/03/2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	237.92	250.72	305.73	488.64	606.88	1,149.04
II	Other Income	137.43	149.83	119.31	287.25	234.83	628.88
III	Total Income (I +II)	375.34	400.55	425.04	775.89	841.71	1,777.92
IV	Expenses						
	Changes in Inventories	1.11	1.10	1.03	2.20	2.13	6.26
	License Fees & Spectrum Charges	22.84	24.11	31.80	46.95	65.84	114.24
	Employees' Remuneration and benefits	132.98	139.75	120.21	272.72	271.98	558.64
	Finance cost	581.04	540.15	533.01	1,121.20	1,049.09	2,139.62
	Revenue Sharing	17.61	16.92	35.38	34.53	70.87	101.30
	Depreciation and amortization expense	183.65	183.29	190.84	366.94	392.79	772.02
	Administrative Expenses	174.61	148.62	167.78	323.23	333.03	687.19
	Total Expenses (IV)	1,113.84	1,053.93	1,080.05	2,167.77	2,185.72	4,379.28
V	Profits/(Loss) before exceptional items and tax(III-IV)	(738.50)	(653.38)	(655.00)	(1,391.88)	(1,344.01)	(2,601.36)
VI	Share of Profit/(loss) in investments accounted for using equity method	0.50	0.32	0.44	0.82	0.75	1.15
VII	Exceptional items	-	-	-	-	-	-
VIII	Profit/ (Loss) before tax (V+ VI-VII)	(737.99)	(653.07)	(654.56)	(1,391.06)	(1,343.25)	(2,600.21)
IX	Tax expense:						
	(1) Current tax	-	-	-	-	-	2.44
	(2) Deferred tax	-	-	-	-	-	0.48
X	Profit/ (Loss) for the period from continuing operations (VIII - IX)	(737.99)	(653.07)	(654.56)	(1,391.06)	(1,343.25)	(2,603.12)
XI	Profit/ (Loss) from discontinued operations	-	-	-	-	-	-
XII	Tax expense of discontinued operations	-	-	-	-	-	-
XIII	Profit/ (Loss) from Discontinued Operations (after tax) (XI-XII)	-	-	-	-	-	-
XIV	Profit/ (Loss) for the period (X + XIII)	(737.99)	(653.07)	(654.56)	(1,391.06)	(1,343.25)	(2,603.12)
XV	Other Comprehensive Income						
A	i) Items that will not be reclassified to profit and loss	2.42	-	(5.75)	2.42	(5.75)	(13.98)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
B	i) Items that will be reclassified to profit or loss	2.02	-	0.44	2.02	(3.49)	(6.65)
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income for the year	4.43	-	(5.31)	4.43	(9.24)	(20.63)
XVI	Total Comprehensive Income for the period (XIV+XV)	(733.56)	(653.07)	(659.87)	(1,386.63)	(1,352.49)	(2,623.76)
XVII	Paid up Equity Share Capital						630.00
XVIII	Other Equity excluding revaluation reserves						(19,298.26)
XIX	Earnings per equity Share (of Rs.10 each) for continuing operations:(not annualised)						
	(1) Basic	(11.71)	(10.37)	(10.39)	(22.08)	(21.32)	(41.32)
	(2) Diluted	(11.71)	(10.37)	(10.39)	(22.08)	(21.32)	(41.32)
XX	Earnings per equity Share of Rs.10 each(for discontinued operations):(not annualised)						
	(1) Basic	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-
XXI	Earnings per equity Share of Rs.10 each (for discontinued & continuing operations): (not annualised)						
	(1) Basic	(11.71)	(10.37)	(10.39)	(22.08)	(21.32)	(41.32)
	(2) Diluted	(11.71)	(10.37)	(10.39)	(22.08)	(21.32)	(41.32)

See accompanying notes to the financial results:

May kindly see for approval for issue to Stock Exch. and publishing in news paper.

Director (Fin.) *Y Das*
14/11

CS 14/11/22

CSMD *R. Datta*



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Notes to Consolidated Financial Results:

- The financial results have been prepared in accordance with the Indian Accounting Standards (Ind- AS) as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- The above results have been reviewed by the Audit Committee in their meeting held on 14.11.2022 and approved by the Board of Directors of the Company at their meeting held on the same date.
- Additional Disclosures as per Regulation 52 (4) of SEBI (LODR) Regulations 2015

S.No.	Particulars	Three Month Ended			Six Month Ended		Year Ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
a	Debt Service Coverage Ratio (in times) [EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long Term Debt)]	0.02	0.06	0.09	0.04	0.06	0.08
b	Interest Service Coverage Ratio (in times) [EBITDA/Finance Cost]	0.05	0.13	0.13	0.09	0.09	0.14
c	Outstanding Redeemable Preference shares (quantity and value) (in Rs Crs)						
d	Capital Redemption Reserve (in Rs Crs)						
e	Debenture Redemption Reserve (in Rs Crs) #			45.27		45.27	
f	Net Worth (in Rs Crs) (As per Section 2(57) of Companies Act 2013)	(20,054.88)	(19,321.32)	(17,397.00)	(20,054.88)	(17,397.00)	(18,668.26)
g	Net Profit After Tax (in Rs Crs)	(737.99)	(653.07)	(654.56)	(1,391.06)	(1,343.25)	(2,603.12)
h	Earnings Per Share (in Rs) [Not Annualised]	(11.71)	(10.37)	(10.39)	(22.08)	(21.32)	(41.32)
i	Current Ratio (in times) [Current Assets /Current Liabilities]	0.36	0.43	0.46	0.36	0.46	0.43
j	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.38)	(1.41)	(1.49)	(1.38)	(1.49)	(1.43)
k	Long Term Debt to Working Capital (in times) Long Term Debt excluding lease liability + Current Maturities of Long Term Debt Working Capital excluding current maturities of Long Term Borrowings	(2.48)	(3.73)	(4.12)	(2.48)	(4.12)	(4.17)
l	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.01	0.01	0.00	0.01	0.00	0.01
m	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.51	0.47	0.42	0.51	0.42	0.44
n	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) / Total Assets]	2.33	2.28	2.05	2.33	2.05	2.18
o	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.30	1.32	1.51	1.33	1.50	1.59
p	** Paid up Debt Capital/Outstanding Debt (in Rs. Crs)	18,199.40	19,112.21	19,092.64	18,199.40	19,092.64	19,661.18
q	Operating Margin (%) [(EBIT - Other Income)/ Revenue from Operations]	-123.73%	-104.79%	-78.78%	-114.01%	-87.17%	-95.07%
r	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	-310.19%	-260.47%	-214.10%	-284.68%	-221.34%	-226.55%

- # MTNL is a listed company and issued debentures on private placement basis, there is no adequacy to maintain Debenture Redemption Reserve (DRR) under Rule 18 (7) (b) (iii) (B) of Companies (Share Capital and Debenture) Rules, 2014.
- ** Paidup debt Capital/Outstanding Debt (excludes Short Term Borrowing & Non Convertible Debentures(NCDs) issued to the tune of Rs. 4,533.97 Cr for which the liability to pay interest and principal is on Government of India). Also, since the NCDs (backed by Sovereign Guarantee) are unsecured in nature, no Asset Cover is maintained.
- As the principal activities of group company are in the nature of services, so Inventory Turnover ratio is not relevant.
- The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation.

For and on behalf of the Board



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

Place : New Delhi
Date : 14.11.2022



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MAHANAGAR TELEPHONE NIGAM LIMITED

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

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

CIN No: L32101DL1986GOI023501

UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES FOR THE QUARTER AND SIX MONTHS ENDED ON 30/09/2022

(Rs. in Crore)

Sl. No.	Particulars	CONSOLIDATED					
		Three Month Ended			Six Month Ended		Year Ended
		3 months ended 30/09/2022	Preceding 3 months ended 30/06/2022	Corresponding 3 months ended 30/09/2021 in the previous year	Year to date figures for Current period ended 30/09/2022	Year to date figures for previous period ended 30/09/2021	Previous year ended 31/03/2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	Basic & other Services	210.04	223.37	250.77	433.41	502.03	992.63
	Cellular	28.27	27.69	55.30	55.96	105.55	157.75
	Unallocable						0.02
	Total	238.31	251.06	306.07	489.37	607.57	1,150.39
	Less: Inter Segment Revenue	0.39	0.34	0.34	0.74	0.69	1.35
	Net Revenue from Operations	237.92	250.72	305.73	488.64	606.88	1,149.04
2.	Segment Result before interest income, exceptional items, finance cost and tax						
	Basic & other Services	(35.91)	9.74	(18.64)	(26.17)	(82.96)	(141.38)
	Cellular	(111.53)	(114.19)	(115.07)	(225.73)	(213.16)	(437.29)
	Unallocable	(10.83)	(11.54)	7.94	(22.37)	(4.93)	33.14
	Total	(158.28)	(115.99)	(125.77)	(274.26)	(301.05)	(545.53)
	Add: Exceptional items						
	Add: Interest Income	0.82	2.75	3.78	3.58	6.13	83.80
	Less: Finance cost	581.04	540.15	533.01	1,121.20	1,049.09	2,139.62
	Add: Share of profit or loss from Associates/ JV	0.50	0.32	0.44	0.82	0.75	1.15
	Profit/ (Loss) before tax	(737.99)	(653.07)	(654.56)	(1391.06)	(1343.25)	(2600.21)
	Less: Provision for Current Tax & Deferred tax						2.91
	Profit/ (Loss) after tax	(737.99)	(653.07)	(654.56)	(1391.06)	(1343.25)	(2603.12)
3.	Capital Employed (Segment Assets - Segment Liabilities)						
	Segment Asset						
	Basic & other Services	6,562.45	6,607.38	7,037.19	6,562.45	7,037.19	6,633.66
	Cellular	3,910.35	3,979.59	4,336.31	3,910.35	4,336.31	4,066.71
	Unallocable/Eliminations	1,475.60	1,447.59	1,415.22	1,475.60	1,415.22	1,616.38
	Total Segment Assets	11,948.40	12,034.56	12,788.72	11,948.40	12,788.72	12,316.74
	Segment Liabilities						
	Basic & other Services	2,732.16	2,708.03	2,676.82	2,732.16	2,676.82	2,688.53
	Cellular	27,139.81	26,630.92	25,095.99	27,139.81	25,095.99	26,092.99
	Unallocable/Eliminations	2,131.31	2,016.93	2,412.91	2,131.31	2,412.91	2,203.48
	Total Segment Liabilities	32,003.28	31,355.88	30,185.72	32,003.28	30,185.72	30,985.00
	Segment Capital Employed						
	Basic & other Services	3,830.28	3,899.35	4,360.37	3,830.28	4,360.37	3,945.13
	Cellular	(23,229.46)	(22,651.33)	(20,759.67)	(23,229.46)	(20,759.67)	(22,026.28)
	Unallocable/Eliminations	(655.71)	(569.34)	(997.69)	(655.71)	(997.69)	(587.11)
	Capital Employed	(20054.88)	(19321.32)	(17397.00)	(20054.88)	(17397.00)	(18668.26)

For and on behalf of the Board

(P. K. Purwar)

Chairman & Managing Director

DIN: 06619060

Place : New Delhi

Date : 14.11.2022



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MAHANAGAR TELEPHONE NIGAM LIMITED

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

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

CIN No: L32101DL1986GOI023501

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crore)

Particulars	CONSOLIDATED	
	As at	As at
	30.09.2022	31.03.2022
	Unaudited	Audited
ASSETS		
(a) Property, Plant and Equipment	2,901.75	3,045.19
(b) Capital work-in-progress	64.47	73.98
(c) Right-of-Use Asset	395.36	406.44
(d) Investment Property	68.65	68.62
(e) Intangible assets	1,930.92	2,097.96
(f) Investments accounted for using the equity method	3.55	3.07
(g) Financial Assets		
(i) Loans	3.05	3.43
(ii) Others	183.25	215.57
(h) Deferred tax assets (net)	0.00	0.00
(i) Non Current Tax Asset	582.25	563.56
(j) Other Non-Current Assets	32.06	30.31
Total non-current assets	6,165.31	6,508.13
(2) Current assets		
(a) Inventories	6.47	7.49
(b) Financial Assets		
(i) Trade Receivables	697.50	670.97
(ii) Cash and cash equivalents	102.26	99.27
(iii) Bank Balances other than (ii) above	37.98	49.25
(iv) Loans	4.08	3.08
(v) Other Financial Assets	4,633.88	4,599.81
(c) Other current assets	300.87	378.69
Total Current assets	5,783.04	5,808.56
(3) Asset held for sale	0.05	0.05
Total Assets (1+2+3)	11,948.40	12,316.74
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	630.00	630.00
(b) Other Equity	(20,684.88)	(19,298.26)
Total Equity	(20,054.88)	(18,668.26)
LIABILITIES		
(i) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	15,059.32	16,565.55
(ii) Lease Liabilities	131.41	144.48
(iii) Other Financial Liabilities	104.29	194.13
(b) Long Term Provisions	372.75	385.72
(c) Deferred tax liabilities (Net)	7.10	6.99
(d) Other Non Current liabilities	67.60	74.10
Total Non-Current Liabilities	15,742.48	17,370.97
(ii) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	12,524.51	10,040.92
(ii) Lease Liabilities	69.94	68.67
(iii) Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises	103.46	98.09
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,148.10	949.68
(iv) Other Financial Liabilities	1,730.37	1,828.26
(b) Other current liabilities	645.45	600.89
(c) Short Term Provisions	38.96	25.18
(d) Current Tax Liabilities	-	2.32
Total Current Liabilities	16,260.80	13,614.03
Total Liabilities (i) + (ii)	32,003.28	30,985.00
Total Equity and Liabilities (1 + 2)	11,948.40	12,316.74

For and on behalf of the Board

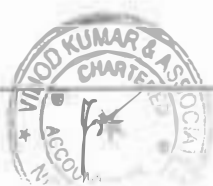
(P.K Purwar)

Chairman & Managing Director

DIN No. 06619060

Place : New Delhi

Date : 14.11.2022



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MAHANAGAR TELEPHONE NIGAM LIMITED

Unaudited Consolidated Cash Flow Statement for the Half Year ended 30th September, 2022

		(Rs. in crores)	
		Half Year ended	
		30th Sept 2022	30th Sept 2021
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax		
	Continuing operations	(1,391.06)	(1,343.25)
	Discontinued operations		
		(1,391.06)	(1,343.25)
	Adjustments for:		
	Depreciation expense	199.76	225.59
	Amortisation expense	167.18	167.20
	Loss on disposal of property, plant and equipment (net)	(0.06)	0.02
	Share of (profit)/loss from associates and joint ventures	(0.82)	(0.75)
	Interest income	(3.58)	(6.13)
	Excess provisions written back	(45.34)	(37.01)
	Provision for doubtful debts including discount	50.96	3.36
	Provision for obsolete inventory	1.08	54.45
	Provision for doubtful claims	0.15	16.99
	Loss of assets	0.60	1.11
	Provision For Abandoned Work- CWIP		
	Remeasurement gains and loss on employee benefit obligations	2.42	(5.75)
	Finance costs	1,121.20	1,049.09
	Bad debts recovered	(0.00)	(0.00)
	Bad debts written off	3.90	0.38
	Operating profit before working capital changes	106.37	125.29
	Movement in working capital		
	(Increase)/Decrease in loans	(0.49)	(88.98)
	(Increase)/Decrease in inventories	(0.05)	(15.79)
	(Increase)/Decrease in other financial assets	0.39	(104.43)
	(Increase)/Decrease in other assets	76.30	284.99
	(Increase)/Decrease in trade and other receivables	(81.18)	(128.80)
	Increase/(Decrease) in other financial liabilities	(230.67)	24.81
	Increase/(Decrease) in other liabilities	38.18	35.04
	Increase/(Decrease) in provisions, trade and other payables	250.30	95.90
	Cash flow from operating activities post working capital changes	159.15	228.02
	Income tax (paid)/refunds (net)	(20.89)	-12.63
	Net cash flow from operating activities (A)	138.26	215.39
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Property, plant and equipment, investment property and intangible	(21.21)	2.01
	Movement in fixed deposits (net)	11.27	167.17
	Dividend received	0.34	0.46
	Interest received	1.17	1.35
	Net cash flows used in investing activities (B)	(8.43)	170.98
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds and repayment of long-term borrowings (net)	(1,464.61)	(584.46)
	Proceeds and repayment of short-term borrowings (net)	2,439.13	1,233.07
	Finance cost paid	(1,065.05)	(1,018.35)
	Payment towards Lease Liability	(36.30)	(40.75)
	Net cash used in financing activities (C)	(126.84)	(410.49)
	Increase in cash and cash equivalents (A+B+C)	2.98	(24.11)
	Cash and cash equivalents at the beginning of the year	99.27	127.09
	Cash and cash equivalents at the end of the period	102.26	102.98



For and on behalf of the Board

(P K Puri)

Chairman & Managing Director
DIN No. 06619060

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

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

Independent Auditor's Review Report on Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30th, 2022 of Mahanagar Telephone Nigam Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Mahanagar Telephone Nigam Limited ("The Holding") and its subsidiaries (the Holding and its subsidiaries together referred to as "The Group"), and its share of the net profit after tax and total comprehensive income of its a joint venture and associate for the quarter and half year ended September 30th, 2022 ("The Statement") attached herewith, being submitted by the holding pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Holding's Management and approved by the Holding's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



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

(a) List of Subsidiaries:

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

* As per consolidated financial results

(b) List of Joint Venture:

MTNL STPI IT Services Limited ('MSISL')

(c) List of Associate:

United Telecommunications Limited ('UTL')

4. Basis for Qualified Conclusion

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

5. Qualified Conclusion

Based on our review conducted and procedures performed as stated in paragraph 2 above and based on the interim financial results and other financial information certified by the management of holding company referred to in paragraph 7 below, except for the observations / matters mentioned in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

- i. With reference to pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Holding Company u/s 80 IA of the Income Tax Act, 1961 we are unable to comment on the adequacy or otherwise of the provision and / or contingency reserve held by the Holding Company.
- ii. Impact of accounting of claims and counter claims of MTNL with M/S M&N Publications Ltd., in a dispute over printing, publishing and supply of telephone directories for MTNL, will be given in the year when the ultimate collection / payment of the same becomes reasonably certain.
- iii. Amount receivable from BSNL & Other Operators have been reflected as loans and other financial assets instead of bifurcating the same into trade receivables and other financial assets.
- iv. The Amounts recoverable from Department of Telecommunication (DOT) in respect of settlement of General Provident Fund (GPF) of Combined Service Optees absorbed employees in MTNL and the matter has been under review with DOT and the full amount of GPF including interest thereon, claimed of the Holding Company in respect of which correspondence in going on between the Holding Company and DOT are continued to be shown as recoverable from DOT and payable to GPF.



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- v. The payables towards license fees and spectrum usage charges have been adjusted with excess pension payouts to Combined Pensioners Optees recoverable from DOT in respect of which matter is under consideration and correspondence in going on between the Holding Company and DOT.
- vi. The License agreement between Holding Company and DOT does not have any guidance on change in method of calculation of Adjusted Gross Revenue (AGR) due to migration to Ind-AS from I-GAAP. Provisioning and payment of liability in respect of license fees and spectrum usage charges payable to DOT has been done on the basis of Ind-AS based financial statements. The amount of difference in computation of Adjusted Gross Revenue (AGR) is under consideration of DOT.
- vii. Certain immovable properties transferred from Department of Telecommunications ('DoT') to MTNL in earlier years, which were taken on lease by DoT prior to incorporation of MTNL. On 30th March 1987, both DoT and MTNL entered into a sale deed for transfer of the several movable and immovable assets from DoT to MTNL. The said transfer includes the leasehold lands and buildings which are now in possession of MTNL since the execution of the sale deed. These leasehold immovable properties have not been mutated or renewed in the name of MTNL till date. However, considering MTNL is a Public Sector Undertaking ('PSU'), the sale deed not registered at that time and executed by DOT is deemed to have been registered for the purpose of transfer of all such assets in terms of section 90 of the Indian registration act, 1908 as considered by the MTNL and stamp duty payable, if any, will be borne and paid by Government as and when any such occasion arises as per sale deed. Accordingly, these leasehold immovable properties have been classified by the management under the heading 'Right of Use assets'
- viii. In certain cases of freehold and leasehold land the Holding Company is having title deeds which are in the name of the Holding Company but the value of which are not lying in books of accounts of the Holding Company.
- ix. Income arising on account of Revenue Sharing with BSNL in respect of lease circuits provided has not been recognized in terms of Memorandum of Understanding (MOU) between BSNL and MTNL. As per MOU, revenue and expenditure will be based on the price offered to the customers after applying the discount, if any at the time of acquiring the business. However, Revenue has been recognized on the basis of available information which is either based on the Holding Company Card Rates or Old rates of BSNL. In Some Cases, BSNL has given the information in respect of updated rated but the same has not been considered at the time of booking of revenue sharing with BSNL. In the absence of relevant updated records, we are not in a position to comment on the impact thereof on the consolidated financial results.
- x. 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.
- xi. In pursuance DoT letter No. F.No. 30-04/2019-PSU Affairs dt. 29 October, 2019 and decision of Board of Directors of MTNL through circular regulation on 4th November 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from 4th November 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. As such no provision of VRS compensation is considered in the books of Holding company. Balance amount payable to VRS opted employees as on September 30th,



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2022 is shown as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL.

- xii. Out of the total revenue from operations for the quarter and half year ended September 30th, 2022 of Rs. 237.92 Crores and Rs. 488.64 Crores respectively, Revenue of Rs. 1.23 Crores has been computed and accounted for Interconnect billing for the quarter and half year ended September 30th, 2022 respectively, on the basis of assumption of Incoming traffic (in minutes) of June 2022 and July 2022.

Our conclusion is not modified in respect of aforesaid matters.

7. The Statement includes interim financial results and other financial information of 2 subsidiaries whose interim financial results and other financial information reflect total assets of Rs 152.62 crores as at September 30th, 2022 and total income of Rs 18.35 crore and Rs 33.56 crore, net loss of Rs 1.03 crore and Rs 4.57 crore and total comprehensive income(Loss) of Rs 0.99 crore and Rs (2.55) crore for the quarter and half year ended September 30th, 2022 respectively and net cash outflow amounting to Rs 6.22 Crores for the half year ended September 30th, 2022 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 0.50 crore and Rs. 0.82 Crore and total comprehensive income of Rs 0.50 crore and Rs. 0.82 Crore for the quarter and half year ended September 30th, 2022 respectively which are certified by the Management. The accompanying consolidated financial results also includes unaudited financial results and other unaudited financial information in respect of 1 associate, whose financial results/statements reflect the Group's share of net loss of Rs. NIL and Rs. Nil, and the Group's share of total comprehensive loss of Rs. NIL and Rs. Nil, for the quarter and half year ended September 30th, 2022 respectively which are certified by the Management.

According to the information and explanations given to us by the Management, these interim financial results and other financial information are not material to the Group.

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

For Vinod Kumar & Associates

Chartered Accountants

Firm Registration No.: 002304N




CA Mukesh Dadhich

Partner

Membership No.: 511741

UDIN: 22511741BDCBCS4915

For SPMG & Co.

Chartered Accountants

Firm Registration No.: 509249C




CAMandeep Singh Arora

Partner

Membership No.: 091243

UDIN: 22091243BDCBLG2330

Place: New Delhi

Date: 14th November, 2022



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

SPMG & Co.
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Bank Street, Karol Bagh,
New Delhi – 110005

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

- i. The Net Worth of the Holding Company has been fully eroded; The Holding Company has incurred net cash loss during the quarter and half year ended September 30th, 2022 as well as in the previous year and the current liabilities exceeded the current assets substantially.

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

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

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

Recently, As per F.NO.20-28/2022-PR dated 2nd August, 2022, the Union Cabinet in its meeting held on 27.07.2022 has approved the raising of Sovereign Guarantee bonds for MTNL with a tenure of 10 years or more for an amount of Rs. 17,571 crores in next two financial years i.e 2022 & 2023 with waiver of guarantee fee to repay its high cost debt and restructure it with new sustainable loan.

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

- a) The Holding Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3512.98 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the consolidated financial results of the Holding Company.
- b) The Holding Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs. 115.97 Crores has not been carried forward resulting in understatement of loss to that extent.



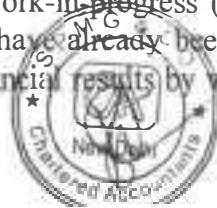
The Holding Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 165.23 Crores, Out of which Rs. 165.08 Crores is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the correctness



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of the outstanding balances and resultant impact of the same on the Consolidated financial results of the Holding Company.

- iv. Up to financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Holding Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent.
- v. The Holding Company had allocated the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the consolidated financial results for quarter and half year ended September 30th, 2022 is not ascertained and quantified.
- vi. Except for the impairment loss of assets of CDMA units provided in earlier years, no adjustment has been considered on account of impairment loss, if any, during the quarter and half year ended September 30th, 2022, with reference to Indian Accounting Standard – 36 “Impairment of Assets” prescribed under Section 133 of the Act. In view of uncertainty in achievement of future projections made by the Holding Company, we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the quarter and half year ended September 30th, 2022,, 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. Unlinked credit of Rs. 73.34 Crores on account of receipts from subscribers against billing by the Holding Company which could not be matched with corresponding receivables is appearing as liabilities in the balance sheet. To that extent, trade receivables and current liabilities are overstated. Pending reconciliations, the impact thereof on the consolidated financial results are not ascertainable and quantifiable.
- ix. Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. 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 and amount



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of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.

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

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

Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3205.71 Crores has been disclosed as contingent liability till FY 2018-19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of OTSC on spectrum allotted beyond 6.2 Mhz, directed Govt. to review the demand for spectrum allotted after 1-7-2008 and that too w.e.f 1-1-2013 in case the spectrum beyond 6.2 Mhz was allotted before 1-1-2013. As explained, as per the TDSAT orders also no further demand is raised till now and as per management based on TDSAT direction the demand, if any, cannot be more than Rs 455.15 crores the same is considered as contingent liability.

In view of the above we are not in a position to comment on the correctness of the stand taken by the Holding Company and the ultimate implications of the same on the consolidated financial results of the Holding Company.

- xi. The Holding Company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter. The actual impact of the same on the consolidated financial result for quarter and half year ended September 30th, 2022 is not ascertained and quantified.
- xii. The TDS on provision for Expenses (Accrued Liability) has not been deducted under chapter XVII- B of Income Tax Act, 1961. The actual impact of the same on the consolidated financial results for the quarter and half year ended September 30th, 2022 has not been ascertained and quantified.
- xiii. The Holding Company is making the provision for interest for late/non-payment to MSME vendors and the company has not complied with the provision of chapter XVII- B of Income Tax Act, 1961 on such provision for interest..The actual impact of the same on the consolidated financial results for quarter and half year ended September 30th, 2022 is not ascertained and quantified.
- xiv. The income arising on account of rental income in respect of property occupied by the BSNL amounting to Rs. 8.38 Crores accrued and Rs. 16.76 Crores accrued during the quarter and half year ended September 30th 2022 respectively has not been recognized in Delhi unit in the consolidated financial results. Further, the Goods and Services Tax (GST) has also not been considered in respect of income arising on account of rented property occupied by the BSNL for both Delhi and Mumbai unit. The accumulated impact on the standalone financial



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results of such income and liability under Goods and Services Tax (GST) for the current year and preceding years is not ascertained and quantified.

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

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii) and (xiv) on the consolidated financial result of the Holding Company for the quarter and half year ended September 30th 2022.

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




CA Mukesh Dadhich
Partner
Membership No.: 511741
UDIN: 22511741BDCBCS4915

For SPMG & Co.
Chartered Accountants
Firm Registration No.: 509249C




CA Mandeep Singh Arora
Partner
Membership No.: 091243
UDIN: 22091243BDCBLG2330

Place: New Delhi
Date: 14th November, 2022

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ANNEXURE – III

IMPACT OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FINANCIAL YEARS

महानगर टेलीफोन निगम लि.

(भारत सरकार का उद्यम)

Mahanagar Telephone Nigam Ltd.

(A Government of India Enterprise)

CIN: L32101DL1986GOI023501



MTNL/SECTT/SE/2018

May 31, 2018

The Secretary,
Stock Exchanges,
BSE/NSE

SUB: Compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Submission of Audit Report for the F.Y. ended on 31st March, 2018 and Statement on Impact of Audit Qualifications.

Dear Sir,

Further to our letter of even no. dtd 30.05.2018 regarding Audited Financial Statements of MTNL, kindly find following documents:

- i) MTNL Audit Qualifications on Standalone and Consolidated Financial Statements of 2017-18;
- ii) Statement on Impact of Audit Qualifications (for audit report with modified opinion) - Standalone and Consolidated for the F.Y. 2017-18.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,

(S R SAYAL)
COMPANY SECRETARY

Encl. N/A.

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

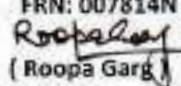
ANNEXURE I

Corporate & Registered Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003
CIN No: L32101DL1986GOI023501

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2018]

I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	3,116.42	3,116.42
	2.	Total Expenditure	6,089.87	6,396.10
	3.	Net Profit/(Loss)	(2,973.03)	(3,279.26)
	4.	Earnings Per Share	(47.19)	(52.02)
	5.	Total Assets	16,249.66	16,046.11
	6.	Total Liabilities	16,249.66	16,046.11
	7.	Net Worth	(6,337.35)	(6,643.58)
	8.	Any other financial item(s) (as felt appropriate by the management)	---NA---	
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: <i>Attached</i> b. Type of Audit Qualification : <i>Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</i> c. Frequency of qualification: <i>Whether appeared first time / repetitive / since how long continuing: The 11 items of qualification are repetitive.</i> d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: e. For Audit Qualification(s) where the impact is not quantified by the auditor (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:			
III.	Signatories:  (P. K. Purwar) Director(Fin)/CMD  (Rakesh Nangia) Audit Committee Chairman For Kumar Vijay Gupta & Co. Chartered Accountants FRN: 007814N  (Roopa Garg) Partner M.No. 500677 For Mehra Goel & Co Chartered Accountants FRN: 000517N  (Nikhil Agrawal) Partner M.No. 419806 			
	Place: New Delhi			
	Date: 30 th May, 2018			

MTNL Audit Qualifications on Accounts for 2017-18 (Standalone)

Sr. No.	Qualification	Management Estimation /Views
1	<u>Bharat Sanchar Nigam Limited (BSNL):</u> a).The Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3,387.15 Crores is subject to reconciliation and confirmation. In view of non reconciliation and non confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 63 to the standalone Ind-AS financial statements) b)Income arising on account of Revenue Sharing with BSNL in respect of lease circuits provided has not been recognized in terms of Memorandum of Understanding (MOU) between BSNL and MTNL. As per MOU, revenue and expenditure will be based on the price offered to the customers after applying the discount, if any at the time of acquiring the business. However, Revenue has been recognized on the basis of available information which is either based on the Company Card Rates or Old rates of BSNL. In Some Cases, BSNL has given the information in respect of updated rated but the same has not been considered at the time of booking of revenue sharing with BSNL. In the absence of relevant updated records, we are not in a position to comment on the impact thereof on the standalone Ind-	Management has taken up the matter of reconciliation of receivables from and payables to BSNL through a standing committee constituted by D.O.T. and also with DOT. In addition to the request to DOT to intervene, the matter has been taken up directly with BSNL also for reconciliation and confirmation of claims shown by MTNL in the books upto the year 2017-18. The claims pertaining to 2013-14 & some of the claims of 2014-15 & 2015-16 have been settled by intervention at the highest level of DoT in the current year and till now approximately Rs. 1100 crs of claims were settled by BSNL and Rs. 300 crs is paid by MTNL. As such the issue is under settlement and both being PSUs under DOT, there would be settlement at the earliest. Further process of settlement also continues in financial year 2017-18 In view of above, the impact if at all it would not be ascertainable at this stage. b) The case of allowing discounts to customers by BSNL or MTNL is under review and DOT committee has been repeatedly insisting on settlement of dues with mutually acceptable manner and in accordance with synergy agreement which is valid upto 23/09/2018 without disputing the claims. In most of the meetings DOT directed BSNL to release the revenue share booked by MTNL as per the MTNL claims. However the issue of lease circuits , billing etc are still under review and consequent upon the inception of GST regime the issue is likely to be got streamlined by 2018-19 since the billing has to be done taking into the agreed upon rates only and any changes in the agreement, credit notes are to be issued. As such BSNL & MTNL are expected to conclude the process for such system in the current financial year so that rates billed could be agreed upon rates instead of card rates as per existing procedure.



	AS financial statements. c) 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. 118.17 Crores has not been carried forward or ineligible credits amounting to Rs. 50.26 Crores excessively carried forward to TRANS-1 under GST laws resulting in overstatement of current assets and understatement of loss to that extent. d.) The Company has recognized Income and Expenditure arising on account of revenue sharing with BSNL excluding of Service Tax and Goods and Service Tax (GST) where the demand note/invoices are raised to and received from BSNL inclusive of the aforesaid taxes but the accounting treatment of the aforesaid taxes are being recognized by the Company at the time of settlement with BSNL. In the absence of any information/working, the impact thereof on the standalone Ind-AS financial statements cannot be ascertained and quantified.	c) The pre POTR credits outstanding are having per contra debits also and in case of reversal both need to be reversed with no impact on profit & loss account. Besides the issues are under advise from GST consultants (E&Y) to proceed with a request to govt. to, not to disallow such credits due under GST law. As regards post POTR credits, the payments are made to service tax department and in all cases which are in trans-I, it is deliberated to issue credit notes for old bills and to re-issue bills with GST in which case there will be no requirement to book any loss. As GST regime issues are under evolving process, the impact, if any cannot be ascertained at this stage and in the view of management there is no scope for any loss. d) This issue is also under review and recognition done upto June, 2017 was on the basis of existing practice in vogue, since last decade and there is no loss to exchequer also as the service tax dues were paid by billing organisation fully to government and internal revenue sharing adjustments are done through claim settlements and no separate tax claims are given by either of company to the other. As such there is no impact on profitability or otherwise. Besides w.e.f 1.7.2017 the GST processes are effected according to which GST is charged & paid on tax invoices and credit notes issued at the time of settlement, if there is any variation.
2	The Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 6,464.15 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	Management has taken up the matter of reconciliation and settlement of amounts which ever are not confirmed with the Administrative ministry. However the recoverable amount of Rs 6,464.15 crores includes the GPF (RS 1150.97 Crs), Excess pension paid from 1-10 2000 (Rs.143.12 Crs) and Bonds issued in lieu of refund of OT entry fees of BWA Spectrum (Rs4533.97 Crs) totalling to Rs.5827.94/- crores identified and acknowledged for



	correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 68 to the standalone Ind-AS financial statements).	settlement. The matter has been taken up with higher level officers of DOT for reconciliation and confirmation of balance claims of Rs. 636.21 crs shown by MTNL in the books for the year 2017-18 on the pattern of GPF, Bonds etc which already stand confirmed. The issue of confirmation and settlement of Earlier period bonds related claims of Rs.431 crores is also already in progress in D.O.T. The resultant Rs.205.21 crs is also due to MTNL on account of various other claims of period pertaining to years 1986- 2000. In view of above there will be no impact.
3	Up to financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent. (Also refer note no. 58 to the standalone Ind-AS financial statements).	The issue of license fee payable to DOT up to financial year 2011-12 on IUC charges to BSNL is already taken up with D.O.T. As per the accounts of MTNL the payment is settled by netting of receivable with payables as receivables are higher than payables and accordingly there is no liability to be accounted for as per MTNL. However pending reconciliation and resolution of the issue by D.O.T. and as a conservative accounting principle MTNL has recognized it as contingent liability. Necessary action can be taken only after reconciliation is completed by BSNL. As it is there is no short payment of licence fees to DOT as both BSNL and MTNL paid licence fee on the basis of income and revenue share against the other company booked in the accounts and if revenue share goes up after reconciliation refund of license fee from DOT becomes due and if revenue share goes down in reconciliation correspondingly. The revenue of other unit goes down resulting into reduction of license fee there in other. While increase of rupees in the companies with net result being no impact to govt. As such action will be taken accordingly on reconciliation by company under DOT guidelines. Till such reconciliation is completed there will be no ascertainable impact in both companies. As such there is no scope for quantification without actual known liability. In addition it is to apprise that DDG(LF)DOT has initiated process of reconciliation which is expected to be completed soon. As such there is no effective or ascertainable impact.



4	The Company continues to allocate the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 "Property, Plant and Equipment" prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the standalone Ind-AS financial statements for year is not ascertained and quantified. (Also refer note no. 36 and 39 to the standalone Ind-AS financial statements).	As regards the allocation of over heads in line with Indian Accounting Standard – 16 "Property, Plant and Equipment" prescribed under Section 133 of the Act, the allocation is made on the basis of approved policy formulated taking into account related factors of contribution to capital works by various units of MTNL. However MTNL has already appointed a consultant to get the old policy reviewed and as per interim report further action is required to be taken to bring it more aligned to the company act 2013 related rules and also Indian Accounting Standard – 16. Therefore the allocation of overhead is directed to be done by units to the extent possible on the basis of directly allocable costs in a manner more scientific. In view of above the impact is not ascertainable.
5	Except for the impairment loss of assets of CDMA units provided in earlier years, no adjustment has been considered on account of impairment loss, if any, during the year, with reference to Indian Accounting Standard – 36 "Impairment of Assets" prescribed under Section 133 of the Act. In view of uncertainty in achievement of future projections made by the Company, we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the year, accumulated balance of reserve and surplus and also the carrying value of the cash generating units. (Also refer note no. 70 to the standalone Ind-AS financial statements).	The impairment testing is being done in respect of MTNL as a whole as CGU and the same is carried out at the end of every year and as per test carried out as at 31.3.2018 there is no impairment loss and there are also no specific indicators of such loss. Incurring of recurring losses is although an indicator for going for impairment testing in case of assets, it is not necessary that assets should also get impaired on account of losses and the losses are due to extraneous reasons viz. Abnormal legacy cost of staff etc. not attributable to the efficiency of assets earning capacity or impairment of the value in use of the related assets. As regards the gap between projections and achievements of same, the projections are made on certain basic assumptions, presumptions of parameters and the realization of the assumptions may not be always full and in any case the impairment is tested at the end of each year revising and reviewing the assumptions taken and projections taking into account the achievements made on actual basis. As such testing is being done at the end of each year and there is no impairment according to the company's understanding and if profit and loss account is not to be linked up with impairment company's stance is in order and as per latest services done by management also no impairment found. In view of above the impact is not assessable.

6	The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and others parties and amount payables to trade payables, claim payable to operators, and amount payable to other parties. Accordingly, amount receivables from and payables to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliations, the impact thereof on the standalone Ind-AS financial statements are not ascertainable and quantifiable. (Also refer note no. 65 to the standalone Ind-AS financial statements).	Because of the volume of the subscriber base, it is not practically possible to obtain confirmation of balances from debtors. However the previous month's outstanding is shown in the current month's bills sent for payment which itself is a process of confirmation. No confirmations are processed to creditors and their liabilities are accounted for as per the terms and conditions of the contracts and the same are paid as per the same which are final unless there is any dispute in which case the same is either referred for resolution through arbitration or courts and NLD and ILD operators dues are paid on regular basis on the basis of interconnect agreements and hence no specific confirmation is not needed for them. Since the payables and receivables are settled as stated above and the same is a continuous process and also as there are no such disputes as to the quantum of payables or receivables from any quarter there is no impact otherwise and wherever necessary adjustments are required the same are also being made.
7	Dues from the Operators are not taken into account for making provision for doubtful debts. In the absence of any working, the impact thereof on the standalone Ind-AS financial statements cannot be ascertained and quantified. (Also refer clause no. (k) of note no. 3 to the standalone Ind-AS financial statements).	The dues of other operators are not provided like other debts as they are based on the interconnectivity regime and are governed by mutual agreements with clauses of arbitration and the debtors are identifiable and are in constant business relationship with MTNL. As such the treatment given to normal debtors cannot be applied in this case. The provision for other debts relating to Basic & GSM has been done as per the policy. The provision in respect of dues of operators is on a different footing and is not to be equated with normal debts. They are also shown as claims recoverable and payable and not as debtors and are bound under agreement clauses including arbitrations under the control of CMD, MTNL therefore the view taken in this is not acceptable under law of the land. In view of above the impact is not assessable.
8	(a) In Delhi Wireless Unit, reconciliation of balances of subscriber's deposits as per subsidiary records with financial books (WFMS) is still in progress and the impact, if any, of the differences arising	(a) The reconciliation is almost completed. Necessary adjustments entries, if any, shall be passed only after it. In view of above the impact is not assessable.



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	out of such reconciliation on standalone Ind-AS financial statements cannot be ascertained and quantified at present. b) Unlinked credit of Rs. 37.68 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. (Also refer note no. 64 and 75 to the standalone Ind-AS financial statements).	(b)The non matching is basically due to the non identification of the subscribers for want of their customer account numbers not available due to wrong or non provision of the same at the time of payment or due to wrong punching of it in the customer records. Besides it is a continuous process and necessary adjustments entries, if any, will be made on reconciliation, if necessary. Such adjustment is also a continuous process. MTNL has not come across any such issue. As such the adjustments will be got done in due course on reconciliation.
9	Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. The resultant impact of the same on the statement of profit and loss by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.	Noted and necessary instructions have been reiterated and WIP review is also continuously being done to ensure that the works are completed in time and there is no delay in the submission of completion certificates in case of works already completed but shown under WIP and as a result of such review the WIP has been got reduced and capitalised. In view of above and also the ongoing process of capitalisation of old to oldest WIP, which is why management does not expect any ascertainable impact at this stage.
10	Certain Land and Buildings transferred to MTNL from DOT in earlier years have been reflected as leasehold. In the absence of relevant records, we are not in a position to comment on the classification, capitalization and amortization of the same as leasehold and also the consequential impacts, if any, of such classification, capitalization and amortization not backed by relevant records. In the absence of relevant records, impact of such classification on the standalone Ind-AS financial statements cannot be ascertained and	The perpetual lease is given to these properties and DOT transferred these on as is where is basis as per sale deed with liability to pay stamp duty at the time of registration in the name of MTNL as and when the same is needed. As such there is no impact expected due to the classification. In view of above the impact is not assessable.

	quantified.	
11	Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 Crores in 2012-13 on account of one time charges for 2G spectrum held by the Company for GSM and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis. As explained the demand for spectrum usage for CDMA has been revised by Rs. 107.44 Crores on account of rectification of actual usage. Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by the Company and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3205.71 Crores has been disclosed as contingent liability. In view of the above we are not in a position to comment on the correctness of the stand taken by the Company and the ultimate implications of the same on the standalone Ind-AS financial statements of the Company. (Also refer note no. 57 to the standalone Ind-AS financial statements).	Dept. of Telecom has levied one time spectrum charges for the GSM and CDMA spectrum on MTNL and the spectrum given on trial basis to the extent of 4.4 Mhz in 1800 Mhz frequency is also included in calculations. The calculations are further subject to changes in the quantum of spectrum holding and the remaining valid period of license as per D.O.T. MTNL has surrender some of the spectrum allotted on trial basis and does not require to pay for CDMA spectrum since it holds only 2.5 Mhz spectrum in respect of CDMA.D.O.T. has been apprised of the same and the matter is still under correspondence Besides, ab-initio, the very policy of levy of one time spectrum charges by DOT itself has been challenged by private operators and is sub judice as on date whereas MTNL's case is also to be decided by D.O.T. on the basis of outcome of the court case and the spectrum surrendered or retained. The finalisation of charges and the modalities of payment are therefore to be crystallized yet and as on date the position is totally indeterminable as to the quantum of charges and also the liability. Pending final outcome of the issue which itself is subjudice and non finality of quantum of charges payable, if at all, to DOT, no provision is made in the books of accounts. However the contingent liability of Rs.3205.71 crores is shown on the basis of the demand raised by D.O.T.in respect of GSM. The issue is under litigation in respect of other operations and DOT finalises the case on disposal of litigation and at that time action for MTNL will also be made clear by DOT. As such only contingent liability on the basis of old demands of DOT is made and neither DOT is demanding thereafter. Hence issue gets resolved on final decisions of govt. In view of above the impact is not assessable.
12	In Mumbai Unit, the Company has been awarded a long duration contract from Larsen & Turbro (L&T) for design, development, implementation & Maintenance of CCTV based surveillance	The contractual terms & conditions are undergoing change and were under deliberations with Larsen & Turbro (L&T) and as an addendum to the agreement is to be signed between MTNL & L&T which is in the final



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	system for Mumbai City. The Company has not recognized profit/loss on the basis of percentage of completion method of accounting as prescribed under Indian Accounting Standard (Ind-AS) – 18 on "Revenue". In the absence of any working/detail, we are not in a position to comment on the impact thereof on the standalone Ind-AS financial statements. (Also refer note no. 77 to the standalone Ind-AS financial statements).	stage further action or any working of profit or loss can be ascertainable only after the addendum is got entered into. As such there is no scope to recognise profit & loss at this point of time.
13	During the year, the Company has booked an income amounting to Rs. 136.74 Crores as Other Income on account of difference between the estimated amounts of Pension Payout Orders (PPO), accounted for in the past years pertaining to Delhi Units and actual arrived on completion of issuance of PPO's by the Department of Telecommunication (DOT), Government of India (GOI). Similar effect of the same in respect of Mumbai Units has not been given during the year ended 31st March, 2018 due to non-finalization of the actual reports by the Company. In the absence of relevant records, we are not in a position to comment on the impact thereof on the standalone Ind-AS financial statements. (Also refer note no. 78 to the standalone Ind-AS financial statements).	The action in respect of Mumbai unit is in progress and in view of huge data with reference to the retirees spanning from the period w.e.f 1.10.2000 to 31.3.2014, the process is expected to be got completed within 2-3 months and as the impact is not ascertainable unless all PPO,s are reviewed, no adjustment is done in the last quarter of current financial year.



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ANNEXURE I

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

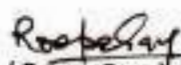
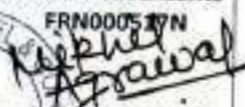
Corporate & Registered Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003

CIN No: L32101DL1986GOI023501

Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2018]

I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	3,217.20	3,217.20
	2.	Total Expenditure	6,188.22	6,434.45
	3.	Net Profit/(Loss)	(2,970.93)	(3,217.16)
	4.	Earnings Per Share	(47.16)	(52.02)
	5.	Total Assets	16,291.20	16,087.65
	6.	Total Liabilities	16,291.20	16,087.65
	7.	Net Worth	(6,332.01)	(6,638.24)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing : : The 11 items of qualification are repetitive. d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: e. For Audit Qualification(s) where the impact is not quantified by the auditor (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:			
III.	Signatories:  (P. K. Purwar) Director(Fin)/CMD  (Rakesh Nangia) Audit Committee Chairman For Kumar Vijay Gupta & Co. Chartered Accountants FRN: 007814N  (Roopa Garg) Partner M.No. 500677 For Mehra Goel & Co Chartered Accountants FRN000517N  (Nikhil Agrawal) Partner M.No. 419806 			
	Place: New Delhi			
	Date: 30 th May, 2018			

MTNL Audit Qualifications on Accounts for 2017-18 (Consolidation)

Sr. No.	Qualification	Management Estimation /Views
1	<u>Bharat Sanchar Nigam Limited (BSNL):</u> a).The Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3,387.15 Crores is subject to reconciliation and confirmation. In view of non reconciliation and non confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 63 to the standalone Ind-AS financial statements) b)Income arising on account of Revenue Sharing with BSNL in respect of lease circuits provided has not been recognized in terms of Memorandum of Understanding (MOU) between BSNL and MTNL. As per MOU, revenue and expenditure will be based on the price offered to the customers after applying the discount, if any at the time of acquiring the business. However, Revenue has been recognized on the basis of available information which is either based on the Company Card Rates or Old rates of BSNL. In Some Cases, BSNL has given the information in respect of updated rated but the same has not been considered at the time of booking of revenue sharing with BSNL. In the absence of relevant updated records, we are not in a position to comment on the impact thereof on the standalone Ind-	Management has taken up the matter of reconciliation of receivables from and payables to BSNL through a standing committee constituted by D.O.T. and also with DOT. In addition to the request to DOT to intervene, the matter has been taken up directly with BSNL also for reconciliation and confirmation of claims shown by MTNL in the books upto the year 2017-18. The claims pertaining to 2013-14 & some of the claims of 2014-15 & 2015-16 have been settled by intervention at the highest level of DoT in the current year and till now approximately Rs. 1100 crs of claims were settled by BSNL and Rs. 300 crs is paid by MTNL. As such the issue is under settlement and both being PSUs under DOT, there would be settlement at the earliest. Further process of settlement also continues in financial year 2017-18 In view of above, the impact if at all it would not be ascertainable at this stage. b) The case of allowing discounts to customers by BSNL or MTNL is under review and DOT committee has been repeatedly insisting on settlement of dues with mutually acceptable manner and in accordance with synergy agreement which is valid upto 23/09/2018 without disputing the claims. In most of the meetings DOT directed BSNL to release the revenue share booked by MTNL as per the MTNL claims. However the issue of lease circuits , billing etc are still under review and consequent upon the inception of GST regime the issue is likely to be got streamlined by 2018-19 since the billing has to be done taking into the agreed upon rates only and any changes in the agreement, credit notes are to be issued. As such BSNL & MTNL are expected to conclude the process for such system in the current financial year so that rates billed could be agreed upon rates instead of card rates as per existing procedure.



(12)

	AS financial statements. c)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. 118.17 Crores has not been carried forward or ineligible credits amounting to Rs. 50.26 Crores excessively carried forward to TRANS-1 under GST laws resulting in overstatement of current assets and understatement of loss to that extent. d.)The Company has recognized Income and Expenditure arising on account of revenue sharing with BSNL excluding of Service Tax and Goods and Service Tax (GST) where the demand note/invoices are raised to and received from BSNL inclusive of the aforesaid taxes but the accounting treatment of the aforesaid taxes are being recognized by the Company at the time of settlement with BSNL. In the absence of any information/working, the impact thereof on the standalone Ind-AS financial statements cannot be ascertained and quantified.	c)The pre POTR credits outstanding are having per contra debits also and in case of reversal both need to be reversed with no impact on profit & loss account. Besides the issues are under advise from GST consultants(E&Y) to proceed with a request to govt. to, not to disallow such credits due under GST law. As regards post POTR credits, the payments are made to service tax department and in all cases which are in trans-I , it is deliberated to issue credit notes for old bills and to re-issue bills with GST in which case there will be no requirement to book any loss. As GST regime issues are under evolving process, the impact, if any cannot be ascertained at this stage and in the view of management there is no scope for any loss. d)This issue is also under review and recognition done upto June, 2017 was on the basis of existing practice in vogue, since last decade and there is no loss to exchequer also as the service tax dues were paid by billing organisation fully to government and internal revenue sharing adjustments are done through claim settlements and no separate tax claims are given by either of company to the other. As such there is no impact on profitability or otherwise. Besides w.e.f 1.7.2017 the GST processes are effected according to which GST is charged & paid on tax invoices and credit notes issued at the time of settlement, if there is any variation.
2	The Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 6,464.15 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	Management has taken up the matter of reconciliation and settlement of amounts which ever are not confirmed with the Administrative ministry. However the recoverable amount of Rs 6,464.15 crores includes the GPF (RS 1150.97 Crs), Excess pension paid from 1-10 2000 (Rs.143.12 Crs) and Bonds issued in lieu of refund of OT entry fees of BWA Spectrum (Rs4533.97 Crs) totalling to Rs.5827.94/- crores identified and acknowledged for



	correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 68 to the standalone Ind-AS financial statements).	settlement. The matter has been taken up with higher level officers of DOT for reconciliation and confirmation of balance claims of Rs. 636.21 crs shown by MTNL in the books for the year 2017-18 on the pattern of GPF, Bonds etc which already stand confirmed. The issue of confirmation and settlement of Earlier period bonds related claims of Rs.431 crores is also already in progress in D.O.T. The resultant Rs.205.21 crs is also due to MTNL on account of various other claims of period pertaining to years 1986- 2000. In view of above there will be no impact.
3	Up to financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent. (Also refer note no. 58 to the standalone Ind-AS financial statements).	The issue of license fee payable to DOT up to financial year 2011-12 on IUC charges to BSNL is already taken up with D.O.T. As per the accounts of MTNL the payment is settled by netting of receivable with payables as receivables are higher than payables and accordingly there is no liability to be accounted for as per MTNL. However pending reconciliation and resolution of the issue by D.O.T. and as a conservative accounting principle MTNL has recognized it as contingent liability. Necessary action can be taken only after reconciliation is completed by BSNL. As it is there is no short payment of licence fees to DOT as both BSNL and MTNL paid licence fee on the basis of income and revenue share against the other company booked in the accounts and if revenue share goes up after reconciliation refund of license fee from DOT becomes due and if revenue share goes down in reconciliation correspondingly. The revenue of other unit goes down resulting into reduction of license fee there in other. While increase of rupees in the companies with net result being no impact to govt. As such action will be taken accordingly on reconciliation by company under DOT guidelines. Till such reconciliation is completed there will be no ascertainable impact in both companies. As such there is no scope for quantification without actual known liability. In addition it is to apprise that DDG(LF)DOT has initiated process of reconciliation which is expected to be completed soon. As such there is no effective or ascertainable impact.



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4	The Company continues to allocate the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 "Property, Plant and Equipment" prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the standalone Ind-AS financial statements for year is not ascertained and quantified. (Also refer note no. 36 and 39 to the standalone Ind-AS financial statements).	As regards the allocation of over heads in line with Indian Accounting Standard – 16 "Property, Plant and Equipment" prescribed under Section 133 of the Act, the allocation is made on the basis of approved policy formulated taking into account related factors of contribution to capital works by various units of MTNL. However MTNL has already appointed a consultant to get the old policy reviewed and as per interim report further action is required to be taken to bring it more aligned to the company act 2013 related rules and also Indian Accounting Standard – 16. Therefore the allocation of overhead is directed to be done by units to the extent possible on the basis of directly allocable costs in a manner more scientific. In view of above the impact is not ascertainable.
5	Except for the impairment loss of assets of CDMA units provided in earlier years, no adjustment has been considered on account of impairment loss, if any, during the year, with reference to Indian Accounting Standard – 36 "Impairment of Assets" prescribed under Section 133 of the Act. In view of uncertainty in achievement of future projections made by the Company, we are unable to ascertain and comment on the provision required in respect of impairment in carrying value of cash generating units and its consequent impact on the loss for the year, accumulated balance of reserve and surplus and also the carrying value of the cash generating units. (Also refer note no. 70 to the standalone Ind-AS financial statements).	The impairment testing is being done in respect of MTNL as a whole as CGU and the same is carried out at the end of every year and as per test carried out as at 31.3.2018 there is no impairment loss and there are also no specific indicators of such loss. Incurring of recurring losses is although an indicator for going for impairment testing in case of assets, it is not necessary that assets should also get impaired on account of losses and the losses are due to extraneous reasons viz. Abnormal legacy cost of staff etc. not attributable to the efficiency of assets earning capacity or impairment of the value in use of the related assets. As regards the gap between projections and achievements of same, the projections are made on certain basic assumptions, presumptions of parameters and the realization of the assumptions may not be always full and in any case the impairment is tested at the end of each year revising and reviewing the assumptions taken and projections taking into account the achievements made on actual basis. As such testing is being done at the end of each year and there is no impairment according to the company's understanding and if profit and loss account is not to be linked up with impairment company's stance is in order and as per latest services done by management also no impairment found. In view of above the impact is not assessable.

6	The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and others parties and amount payables to trade payables, claim payable to operators, and amount payable to other parties. Accordingly, amount receivables from and payables to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliations, the impact thereof on the standalone Ind-AS financial statements are not ascertainable and quantifiable. (Also refer note no. 65 to the standalone Ind-AS financial statements).	Because of the volume of the subscriber base, it is not practically possible to obtain confirmation of balances from debtors. However the previous month's outstanding is shown in the current month's bills sent for payment which itself is a process of confirmation. No confirmations are processed to creditors and their liabilities are accounted for as per the terms and conditions of the contracts and the same are paid as per the same which are final unless there is any dispute in which case the same is either referred for resolution through arbitration or courts and NLD and ILD operators dues are paid on regular basis on the basis of interconnect agreements and hence no specific confirmation is not needed for them. Since the payables and receivables are settled as stated above and the same is a continuous process and also as there are no such disputes as to the quantum of payables or receivables from any quarter there is no impact otherwise and wherever necessary adjustments are required the same are also being made.
7	Dues from the Operators are not taken into account for making provision for doubtful debts. In the absence of any working, the impact thereof on the standalone Ind-AS financial statements cannot be ascertained and quantified. (Also refer clause no. (k) of note no. 3 to the standalone Ind-AS financial statements).	The dues of other operators are not provided like other debts as they are based on the interconnectivity regime and are governed by mutual agreements with clauses of arbitration and the debtors are identifiable and are in constant business relationship with MTNL. As such the treatment given to normal debtors cannot be applied in this case. The provision for other debts relating to Basic & GSM has been done as per the policy. The provision in respect of dues of operators is on a different footing and is not to be equated with normal debts. They are also shown as claims recoverable and payable and not as debtors and are bound under agreement clauses including arbitrations under the control of CMD, MTNL therefore the view taken in this is not acceptable under law of the land. In view of above the impact is not assessable.
8	(a) In Delhi Wireless Unit, reconciliation of balances of subscriber's deposits as per subsidiary records with financial books (WFMS) is still in progress and the impact, if any, of the differences arising	(a) The reconciliation is almost completed. Necessary adjustments entries, if any, shall be passed only after it. In view of above the impact is not assessable.

	out of such reconciliation on standalone Ind-AS financial statements cannot be ascertained and quantified at present. b) Unlinked credit of Rs. 37.68 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. (Also refer note no. 64 and 75 to the standalone Ind-AS financial statements).	(b)The non matching is basically due to the non identification of the subscribers for want of their customer account numbers not available due to wrong or non provision of the same at the time of payment or due to wrong punching of it in the customer records. Besides it is a continuous process and necessary adjustments entries, if any, will be made on reconciliation, if necessary. Such adjustment is also a continuous process. MTNL has not come across any such issue. As such the adjustments will be got done in due course on reconciliation.
9	Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. The resultant impact of the same on the statement of profit and loss by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.	Noted and necessary instructions have been reiterated and WIP review is also continuously being done to ensure that the works are completed in time and there is no delay in the submission of completion certificates in case of works already completed but shown under WIP and as a result of such review the WIP has been got reduced and capitalised. In view of above and also the ongoing process of capitalisation of old to oldest WIP, which is why management does not expect any ascertainable impact at this stage.
10	Certain Land and Buildings transferred to MTNL from DOT in earlier years have been reflected as leasehold. In the absence of relevant records, we are not in a position to comment on the classification, capitalization and amortization of the same as leasehold and also the consequential impacts, if any, of such classification, capitalization and amortization not backed by relevant records. In the absence of relevant records, impact of such classification on the standalone Ind-AS financial statements cannot be ascertained and	The perpetual lease is given to these properties and DOT transferred these on as is where is basis as per sale deed with liability to pay stamp duty at the time of registration in the name of MTNL as and when the same is needed. As such there is no impact expected due to the classification. In view of above the impact is not assessable.



	quantified.	
11	Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 Crores in 2012-13 on account of one time charges for 2G spectrum held by the Company for GSM and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis. As explained the demand for spectrum usage for CDMA has been revised by Rs. 107.44 Crores on account of rectification of actual usage. Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by the Company and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3205.71 Crores has been disclosed as contingent liability. In view of the above we are not in a position to comment on the correctness of the stand taken by the Company and the ultimate implications of the same on the standalone Ind-AS financial statements of the Company. (Also refer note no. 57 to the standalone Ind-AS financial statements).	Dept. of Telecom has levied one time spectrum charges for the GSM and CDMA spectrum on MTNL and the spectrum given on trial basis to the extent of 4.4 Mhz in 1800 Mhz frequency is also included in calculations. The calculations are further subject to changes in the quantum of spectrum holding and the remaining valid period of license as per D.O.T. MTNL has surrender some of the spectrum allotted on trial basis and does not require to pay for CDMA spectrum since it holds only 2.5 Mhz spectrum in respect of CDMA.D.O.T. has been apprised of the same and the matter is still under correspondence Besides, ab-initio, the very policy of levy of one time spectrum charges by DOT itself has been challenged by private operators and is sub judice as on date whereas MTNL's case is also to be decided by D.O.T. on the basis of outcome of the court case and the spectrum surrendered or retained. The finalisation of charges and the modalities of payment are therefore to be crystallized yet and as on date the position is totally indeterminable as to the quantum of charges and also the liability. Pending final outcome of the issue which itself is subjudice and non finality of quantum of charges payable, if at all, to DOT, no provision is made in the books of accounts. However the contingent liability of Rs.3205.71 crores is shown on the basis of the demand raised by D.O.T.in respect of GSM. The issue is under litigation in respect of other operations and DOT finalises the case on disposal of litigation and at that time action for MTNL will also be made clear by DOT. As such only contingent liability on the basis of old demands of DOT is made and neither DOT is demanding thereafter. Hence issue gets resolved on final decisions of govt. In view of above the impact is not assessable.
12	In Mumbai Unit, the Company has been awarded a long duration contract from Larsen & Turbo (L&T) for design, development, implementation & Maintenance of CCTV based surveillance	The contractual terms & conditions are undergoing change and were under deliberations with Larsen & Turbo (L&T) and as an addendum to the agreement is to be signed between MTNL & L&T which is in the final

	system for Mumbai City. The Company has not recognized profit/loss on the basis of percentage of completion method of accounting as prescribed under Indian Accounting Standard (Ind-AS) – 18 on “Revenue”. In the absence of any working/detail, we are not in a position to comment on the impact thereof on the standalone Ind-AS financial statements. (Also refer note no. 77 to the standalone Ind-AS financial statements).	stage further action or any working of profit or loss can be ascertainable only after the addendum is got entered into. As such there is no scope to recognise profit& loss at this point of time.
13	During the year, the Company has booked an income amounting to Rs. 136.74 Crores as Other Income on account of difference between the estimated amounts of Pension Payout Orders (PPO), accounted for in the past years pertaining to Delhi Units and actual arrived on completion of issuance of PPO's by the Department of Telecommunication (DOT), Government of India (GOI). Similar effect of the same in respect of Mumbai Units has not been given during the year ended 31st March, 2018 due to non-finalization of the actual reports by the Company. In the absence of relevant records, we are not in a position to comment on the impact thereof on the standalone Ind-AS financial statements. (Also refer note no. 78 to the standalone Ind-AS financial statements).	The action in respect of Mumbai unit is in progress and in view of huge data with reference to the retirees spanning from the period w.e.f 1.10.2000 to 31.3.2014, the process is expected to be got completed within 2-3 months and as the impact is not ascertainable unless all PPO,s are reviewed, no adjustment is done in the last quarter of current financial year.



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



MTNL/SECTT/SE/2019
May 31, 2019

The Secretary,
Stock Exchanges,
BSE/NSE

SUB: Compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Submission of Audit Report for the F.Y. ended on 31st March, 2019 and Statement on Impact of Audit Qualifications.

Dear Sir,

Further to our letter of even no. dtd 30.05.2019 regarding Audited Financial Statements of MTNL, kindly find following documents:

- i) MTNL Audit Qualifications on Standalone and Consolidated Financial Statements of 2018-19;
- ii) Statement on Impact of Audit Qualifications (for audit report with modified opinion) - Standalone and Consolidated for the F.Y. 2018-19.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,

(S R SAYAL)
COMPANY SECRETARY

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

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

आप हमारे साथ हिन्दी में भी पत्राचार कर सकते हैं।

ANNEXURE I

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

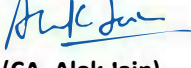
Corporate & Registered Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003

CIN No: L32101DL1986GOI023501

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]

I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	2,721.50	2,721.50
	2.	Total Expenditure	6,108.05	(6300.06)
	3.	Net Profit/(Loss)	(3,388.07)	(3578.56)
	4.	Earnings Per Share	(53.78)	(53.77)
	5.	Total Assets	14,704.51	14,601.82
	6.	Total Liabilities	14,704.51	14,601.82
	7.	Net Worth	(9,727.83)	(9,918.33)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing : : The 12 items of qualification are repetitive. d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: e. For Audit Qualification(s) where the impact is not quantified by the auditor (i)) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:			
III.	Signatories:  (P. K. Purwar) CMD  (Ashok Mittal) Audit Committee Chairman  (CA. Alok Jain) Partner M.No. 095345  (CA. Sanjay Mehra) Partner M.No. 085389			
	Place: New Delhi			
	Date: 30 th May, 2019			



**Annexure to Director's Report(Consolidated)
Auditor's Qualifications and reply:(FY.2018-19)**

Sr. No.	Qualification	Management Reply
I	The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the current year ended March 31, 2019 as well as in the previous year and the current liabilities exceeded the current assets substantially. Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the Company as "Incipient Sick CPSE". Department of Telecommunication (DOT) has also confirmed the status vide its issue no. I/3000697/ 2017 through file no. 19-17/2017 – SU-II. However, the standalone Ind-AS financial statements of the Company have been prepared on a going concern basis keeping in view the majority stake of the Government of India and accompanying management note. (Also refer note no. 76 to the standalone Ind-AS financial statements)	The accounts are prepared on going concern basis for the period ending 31.03.2019 in view of the fact that the declaration of company as incipient sick will lead to implementation plan for revival being government company. As per IND AS-I, paras 25& 26, management has considered all relevant factors including uncertainties as well as debt repayment schedules expected support from govt. as promoter and prepared the accounts on going concern basis since the revival process has been taken up by govt/DoT as per DPE guidelines and the process of submission of approval of govt. for various measures viz. VRS for 9137 numbers of employees, infusion of capital towards 4G licence and monetisation of assets to wipe out debt etc. is in the final stage at DOT. Accordingly financial statements have been prepared on going concern basis.
II	<u>Bharat Sanchar Nigam Limited (BSNL):</u> a) <u>Bharat Sanchar Nigam Limited (BSNL):</u> The Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3,352.67 Crores out of which Rs. 2,505.46 Crores is subject to reconciliation and confirmation. In view of non reconciliation and non confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 63 to the standalone Ind-AS financial	a) Management has taken up the matter of reconciliation of receivables from and payables to BSNL through a standing committee constituted by D.O.T. and also with DOT. In addition to the request to DOT to intervene, the matter has been taken up directly with BSNL also for reconciliation and confirmation of claims shown by MTNL in the books up to the year 2017-18. The claims pertaining to 2014-15 & some of the claims of 2015-16 & 2016-17 have been settled by intervention at the highest level of DoT in the year under report in some cases claims of 2017-18 & 2018-19 were also received . As such the issue is under settlement and both being PSUs under DOT, there would be settlement at the earliest. Further process of settlement also continues in financial year 2019-20. In view of above, no impact is anticipated at this stage and, if at all, it would not be ascertainable at this stage.



	statements). b) The Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs. 144.66 Crores has not been carried forward or ineligible credits amounting to Rs. 51.65 Crores excessively carried forward to TRANS-1 under GST laws resulting in overstatement of current assets and understatement of loss to that extent.	b) The pre POTR credits outstanding are having per contra debits also and in case of reversal both need to be reversed with no impact on profit & loss account. Besides the issues are under advise from GST consultants to proceed with a request to govt. to, not to disallow such credits due under erstwhile tax laws due to GST law. As regards post POTR credits, the payments are made to deliberated with BSNL since majority of cases related to BSNL. As GST regime issues are under evolving process, the impact, if any cannot be ascertained at this stage.
III	The Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 6,69.34 Crores is subject to reconciliation and confirmation. In view of non reconciliation and non confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 68 to the standalone Ind-AS financial statements).	Management has taken up the matter of reconciliation and settlement of amounts which ever are not confirmed with the Administrative ministry. However the recoverable amount of Rs 669.34 crores includes the GPF (RS 1150.97 Crs), Excess pension paid from 1-10 2000 (Rs.143.12 Crs) and Bonds issued in lieu of refund of OT entry fees of BWA Spectrum (Rs4533.97 Crs) totalling to Rs.5827.94/- crores identified and acknowledged for settlement. The matter has been taken up with higher level officers of DOT for reconciliation and confirmation of balance claims of Rs. 636.21 crs shown by MTNL in the books for the year 2017-18 on the pattern of GPF, Bonds etc which already stand confirmed. The issue of confirmation and settlement of Earlier period bonds related claims of Rs.431 crores is also already in progress in D.O.T. The resultant balance amount of Rs.205.21 crs is also due to MTNL on account of various other petty claims of period pertaining to years 1986- 2000. In view of above there will be no impact and claims are being pursued at DoT level.



IV	Up to financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent. (Also refer note no. 79 to the standalone Ind-AS financial statements).	The issue of license fee payable to DOT up to financial year 2011-12 on IUC charges to BSNL is already taken up with D.O.T. As per the accounts of MTNL the payment is settled by netting of receivable with payables as receivables are higher than payables and accordingly there is no liability to be accounted for as per MTNL. However pending reconciliation and resolution of the issue by D.O.T. and as a conservative accounting principle MTNL has recognized it as contingent liability. Necessary action can be taken only after reconciliation is completed which is going on. Till such reconciliation is completed there will be no ascertainable impact in both companies. As such there is no scope for quantification without actual known liability. In addition it is to apprise that DDG(LF)DOT has initiated process of reconciliation which is expected to be completed soon. As such there is no effective or ascertainable impact.
V	The Company had allocated the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the standalone Ind-AS financial statements for year is not ascertained and quantified. (Also refer note no. 36 and 39 to the standalone Ind-AS financial statements).	As regards the allocation of over heads in line with Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the allocation is made on the basis of approved policy formulated taking into account related factors of contribution to capital works by various units of MTNL. However all the units were instructed to allocate only directly allocable costs. As the issue is under deliberation, overheads are being allocated on the basis of earlier policy wherever the directly allocable costs could not be captured. In view of above there is no such effect arising out of it.
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 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 year, accumulated balance of reserve and surplus and also the carrying value of the cash generating units. (Also refer note no. 70	The impairment testing is being done in respect of MTNL as a whole as CGU and the same is carried out at the end of every year and as per test carried out as at 31.3.2019 there is no impairment loss and there are also no specific indicators of such loss. Incurring of recurring losses is although an indicator for going for impairment testing in case of assets, it is not necessary that assets should also get impaired on account of losses and the losses are due to extraneous reasons viz. Abnormal legacy cost of staff etc. not attributable to the efficiency of assets earning capacity or impairment of the value in use of the related assets. In view of above the impact is not expected.



	to the standalone Ind-AS financial statements).	
VII	The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and others parties and amount payables to trade payables, claim payable to operators, and amount payable to other parties. Accordingly, amount receivables from and payables to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliations, the impact thereof on the standalone Ind-AS financial statements are not ascertainable and quantifiable. (Also refer note no. 65 to the standalone Ind-AS financial statements).	Because of the volume of the subscriber base, it is not practically possible to obtain confirmation of balances from debtors. However the previous month's outstanding is shown in the current month's bills sent for payment which itself is a process of confirmation. No confirmations are processed to creditors and their liabilities are accounted for as per the terms and conditions of the contracts and the same are paid as per the same which are final unless there is any dispute in which case the same is either referred for resolution through arbitration or courts and NLD and ILD operators dues are paid on regular basis on the basis of interconnect agreements and hence no specific confirmation is needed for them. Since the payables and receivables are settled as stated above and the same is a continuous process and also as there are no such disputes as to the quantum of payables or receivables from any quarter there is no impact otherwise and wherever required necessary adjustments are required the same are also being made.
VIII	(a) In Delhi Wireless Unit, reconciliation of balances of subscriber's deposits as per subsidiary records with financial books (WFMS) is still in progress and the impact, if any, of the differences arising out of such reconciliation on standalone Ind-AS financial statements cannot be ascertained and quantified at present. (b) Unlinked credit of Rs. 51.04 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. (Also refer note no. 64 and 75 to the standalone Ind-AS financial statements).	(a) The reconciliation is almost completed. Necessary adjustments entries, if any, shall be passed after finalisation it. In view of above the impact is not ascertainable. (b) The non matching is basically due to the non identification of the subscribers for want of their customer account numbers not available due to wrong or non provision of the same at the time of payment or due to wrong punching of it in the customer records. Besides it is a continuous process and necessary adjustments entries, if any, will be made on reconciliation, if necessary. Besides the reconciliation is under process and same will be completed in due course of time.



IX	Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. The resultant impact of the same on the statement of profit and loss by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.	Noted and necessary instructions have been reiterated and WIP review is also continuously being done to ensure that the works are completed in time and there is no delay in the submission of completion certificates in case of works already completed but shown under WIP and as a result of such review the WIP has been got reduced and capitalised pertaining to previous years. In view of above and also the ongoing process of capitalisation of old to oldest WIP, management do not expect that there could be any impact and thereby the same is not ascertainable impact at this stage.
X	Certain Land and Buildings transferred to MTNL from DOT in earlier years have been reflected as leasehold. In the absence of relevant records, we are not in a position to comment on the classification, capitalization and amortization of the same as leasehold and also the consequential impacts, if any, of such classification, capitalization and amortization not backed by relevant records. In the absence of relevant records, impact of such classification on the standalone Ind-AS financial statements cannot be ascertained and quantified.	The perpetual lease is given to these properties and DOT transferred these on as is where is basis as per sale deed with liability to pay stamp duty at the time of registration in the name of MTNL as and when the same is needed. As such there is no impact expected due to the classification. In view of above the impact is not ascertainable.
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. As explained the demand for spectrum usage for CDMA has been revised by Rs. 107.44 Crores on account of rectification of actual usage. Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by the Company and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the	Dept. of Telecom has levied one time spectrum charges for the GSM and CDMA spectrum on MTNL and the spectrum given on trial basis to the extent of 4.4 Mhz in 1800 Mhz frequency is also included in calculations. The calculations are further subject to changes in the quantum of spectrum holding and the remaining valid period of license as per D.O.T. MTNL has surrendered spectrum allotted on trial basis and does not require to pay for CDMA spectrum since it is also surrendered. D.O.T. has been apprised of the same and the matter is still under correspondence Besides, ab-initio, the very policy of levy of one time spectrum charges by DOT itself has been challenged by private operators and is sub judice as on date whereas MTNL's case is also to be decided by D.O.T. on the basis of outcome of the court case and the spectrum surrendered or retained. The finalisation of charges and the modalities of payment are therefore to be crystallized yet and as on date the position is totally indeterminable as to



	amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3205.71 Crores has been disclosed as contingent liability. In view of the above we are not in a position to comment on the correctness of the stand taken by the Company and the ultimate implications of the same on the standalone Ind-AS financial statements of the Company. (Also refer note no. 58 to the standalone Ind-AS financial statements).	the quantum of charges and also the liability. Pending final outcome of the issue which itself is subjudice and non finality of quantum of charges payable, if at all, to DOT, no provision is made in the books of accounts. However the contingent liability of Rs.3205.71 crores is shown on the basis of the demand raised by D.O.T.in respect of GSM. The issue is under litigation in respect of other operations and DOT finalises the case on disposal of litigation and at that time action for MTNL will also be made clear by DOT. As such only contingent liability on the basis of old demands of DOT is made and neither DOT is demanding thereafter till now and no issue is also raised by DOT on this. Hence issue gets resolved on final decisions of govt. In view of above the impact is not assessable.
XII	In Mumbai Unit, the Company has been awarded a long duration contract from Larsen & Turbro (L&T) for design, development, implementation & Maintenance of CCTV based surveillance system for Mumbai City. The Company has not recognized profit/loss on the basis of percentage of completion method of accounting as prescribed under Indian Accounting Standard (Ind-AS) – 18 on "Revenue". In the absence of any working/detail, we are not in a position to comment on the impact thereof on the standalone Ind-AS financial statements. (Also refer note no. 77 to the standalone Ind-AS financial statements).	The contractual terms & conditions are undergoing change and were under deliberations with Larsen & Turbro (L&T) and an addendum to the agreement is to be signed shortly between MTNL & L&T which is in the final stage of reaffirmation and therefore further action or any working of profit or loss can be ascertainable only after the addendum is got entered into. As such there is no scope to recognise profit& loss at this point of time.



ANNEXURE I

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
 CIN No: L32101DL1986GOI023501

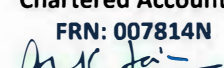
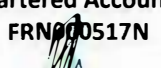
**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
 submitted along-with Annual Audited Financial Results - (Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]

I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In crs)
	1.	Turnover/Total Income	2,606.71	2,606.71
	2.	Total Expenditure	5,996.91	6,188.92
	3.	Net Profit/(Loss)	(3,390.20)	(3,582.21)
	4.	Earnings Per Share	(53.81)	(56.86)
	5.	Total Assets	14,677.44	14,574.75
	6.	Total Liabilities	14,677.44	14,574.75
	7.	Net Worth	(9,734.94)	(9,926.95)
	8.	Any other financial item(s) (as felt appropriate by the management)	----NA-----	

II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: Attached b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: The 12 items of qualification are repetitive. d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: e. For Audit Qualification(s) where the impact is not quantified by the auditor (i)) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:			
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III.	Signatories:  (P. K. Purwar) CMD  (Ashok Mittal) Audit Committee Chairman For Kumar Vijay Gupta & Co. Chartered Accountants FRN: 007814N  (CA. Alok Jain) Partner M.No. 095345 For Mehra Goel & Co Chartered Accountants FRN: 00517N  (CA. Sanjay Mehra) Partner M.No. 085389 Place: New Delhi Date: 30th May, 2019			
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Annexure to Director's Report(Standalone)
Auditor's Qualifications and reply:(FY.2018-19)

Sr. No.	Qualification	Management Reply
	The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the current year ended March 31, 2019 as well as in the previous year and the current liabilities exceeded the current assets substantially. Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the Company as "Incipient Sick CPSE". Department of Telecommunication (DOT) has also confirmed the status vide its issue no. I/3000697/ 2017 through file no. 19-17/2017 – SU-II. However, the standalone Ind-AS financial statements of the Company have been prepared on a going concern basis keeping in view the majority stake of the Government of India and accompanying management note. (Also refer note no. 76 to the standalone Ind-AS financial statements)	The accounts are prepared on going concern basis for the period ending 31.03.2019 in view of the fact that the declaration of company as incipient sick will lead to implementation plan for revival being government company. As per IND AS-I, paras 25& 26, management has considered all relevant factors including uncertainties as well as debt repayment schedules expected support from govt. as promoter and prepared the accounts on going concern basis since the revival process has been taken up by govt/DoT as per DPE guidelines and the process of submission of approval of govt. for various measures viz. VRS for 9137 numbers of employees, infusion of capital towards 4G licence and monetisation of assets to wipe out debt etc. is in the final stage at DOT. Accordingly financial statements have been prepared on going concern basis.
II	<u>Bharat Sanchar Nigam Limited (BSNL):</u> a) <u>Bharat Sanchar Nigam Limited (BSNL):</u> The Company has certain balances receivables from and payables to Bharat Sanchar Nigam Limited (BSNL). The net amount recoverable of Rs. 3,352.67 Crores out of which Rs. 2,505.46 Crores is subject to reconciliation and confirmation. In view of non reconciliation and non confirmation and also in view of various pending disputes regarding claims and counter claims, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 63 to the standalone Ind-AS financial statements).	a) Management has taken up the matter of reconciliation of receivables from and payables to BSNL through a standing committee constituted by D.O.T. and also with DOT. In addition to the request to DOT to intervene, the matter has been taken up directly with BSNL also for reconciliation and confirmation of claims shown by MTNL in the books up to the year 2017-18. The claims pertaining to 2014-15 & some of the claims of 2015-16 & 2016-17 have been settled by intervention at the highest level of DoT in the year under report in some cases claims of 2017-18 & 2018-19 were also received . As such the issue is under settlement and both being PSUs under DOT, there would be settlement at the earliest. Further process of settlement also continues in financial year 2019-20. In view of above, no impact is anticipated at this stage and, if at all, it would not be ascertainable at this stage.



	b) The Company has not provided a provision for doubtful claims in respect of lapsed CENVAT Credit due to non-payment of service tax to service providers within the period of 180 days and due to transition provision under Goods and Service Tax (GST) where the aforesaid CENVAT credit amounting to Rs. 144.66 Crores has not been carried forward or ineligible credits amounting to Rs. 51.65 Crores excessively carried forward to TRANS-1 under GST laws resulting in overstatement of current assets and understatement of loss to that extent.	b) The pre POTR credits outstanding are having per contra debits also and in case of reversal both need to be reversed with no impact on profit & loss account. Besides the issues are under advise from GST consultants to proceed with a request to govt. to, not to disallow such credits due under erstwhile tax laws due to GST law. As regards post POTR credits, the payments are made to deliberated with BSNL since majority of cases related to BSNL. As GST regime issues are under evolving process, the impact, if any cannot be ascertained at this stage.
III	The Company has certain balances receivables from and payables to Department of Telecommunication (DOT). The net amount recoverable of Rs. 6,69.34 Crores is subject to reconciliation and confirmation. In view of non reconciliation and non confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the standalone Ind-AS financial statements of the Company. (Also refer point no. (a) of note no. 68 to the standalone Ind-AS financial statements).	Management has taken up the matter of reconciliation and settlement of amounts which ever are not confirmed with the Administrative ministry. However the recoverable amount of Rs 669.34 crores includes the GPF (RS 1150.97 Crs), Excess pension paid from 1-10 2000 (Rs.143.12 Crs) and Bonds issued in lieu of refund of OT entry fees of BWA Spectrum (Rs4533.97 Crs) totalling to Rs.5827.94/- crores identified and acknowledged for settlement. The matter has been taken up with higher level officers of DOT for reconciliation and confirmation of balance claims of Rs. 636.21 crs shown by MTNL in the books for the year 2017-18 on the pattern of GPF, Bonds etc which already stand confirmed. The issue of confirmation and settlement of Earlier period bonds related claims of Rs.431 crores is also already in progress in D.O.T. The resultant balance amount of Rs.205.21 crs is also due to MTNL on account of various other petty claims of period pertaining to years 1986- 2000. In view of above there will be no impact and claims are being pursued at DoT level.



IV	Up to financial year 2011-12 License Fee payable to the DOT on IUC charges to BSNL was worked out on accrual basis as against the terms of License agreements requiring deduction for expenditure from the gross revenue to be allowed on actual payment basis. From financial year 2012-13, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. The Company continues to reflect the difference in license fee arising from working out the same on accrual basis as aforesaid for the period up to financial year 2011-12 by way of contingent liability of Rs. 140.36 Crores instead of actual liability resulting in understatement of current liabilities and understatement of loss to that extent. (Also refer note no. 79 to the standalone Ind-AS financial statements).	The issue of license fee payable to DOT up to financial year 2011-12 on IUC charges to BSNL is already taken up with D.O.T. As per the accounts of MTNL the payment is settled by netting of receivable with payables as receivables are higher than payables and accordingly there is no liability to be accounted for as per MTNL. However pending reconciliation and resolution of the issue by D.O.T. and as a conservative accounting principle MTNL has recognized it as contingent liability. Necessary action can be taken only after reconciliation is completed which is going on. Till such reconciliation is completed there will be no ascertainable impact in both companies. As such there is no scope for quantification without actual known liability. In addition it is to apprise that DDG(LF)DOT has initiated process of reconciliation which is expected to be completed soon. As such there is no effective or ascertainable impact.
V	The Company had allocated the overheads towards capital works in a manner which is not in line with the accepted accounting practices and Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the same results into overstatement of capital work in progress/ property, plant and equipment and understatement of loss. The actual impact of the same on the standalone Ind-AS financial statements for year is not ascertained and quantified. (Also refer note no. 36 and 39 to the standalone Ind-AS financial statements).	As regards the allocation of over heads in line with Indian Accounting Standard – 16 “Property, Plant and Equipment” prescribed under Section 133 of the Act, the allocation is made on the basis of approved policy formulated taking into account related factors of contribution to capital works by various units of MTNL. However all the units were instructed to allocate only directly allocable costs. As the issue is under deliberation, overheads are being allocated on the basis of earlier policy wherever the directly allocable costs could not be captured. In view of above there is no such effect arising out of it.
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 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 year, accumulated balance of reserve and surplus and also the carrying value of the cash generating units. (Also refer note no. 70	The impairment testing is being done in respect of MTNL as a whole as CGU and the same is carried out at the end of every year and as per test carried out as at 31.3.2019 there is no impairment loss and there are also no specific indicators of such loss. Incurring of recurring losses is although an indicator for going for impairment testing in case of assets, it is not necessary that assets should also get impaired on account of losses and the losses are due to extraneous reasons viz. Abnormal legacy cost of staff etc. not attributable to the efficiency of assets earning capacity or impairment of the value in use of the related assets. In view of above the impact is not expected.



	to the standalone Ind-AS financial statements).	
VII	The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and others parties and amount payables to trade payables, claim payable to operators, and amount payable to other parties. Accordingly, amount receivables from and payables to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliations, the impact thereof on the standalone Ind-AS financial statements are not ascertainable and quantifiable. (Also refer note no. 65 to the standalone Ind-AS financial statements).	Because of the volume of the subscriber base, it is not practically possible to obtain confirmation of balances from debtors. However the previous month's outstanding is shown in the current month's bills sent for payment which itself is a process of confirmation. No confirmations are processed to creditors and their liabilities are accounted for as per the terms and conditions of the contracts and the same are paid as per the same which are final unless there is any dispute in which case the same is either referred for resolution through arbitration or courts and NLD and ILD operators dues are paid on regular basis on the basis of interconnect agreements and hence no specific confirmation is needed for them. Since the payables and receivables are settled as stated above and the same is a continuous process and also as there are no such disputes as to the quantum of payables or receivables from any quarter there is no impact otherwise and wherever required necessary adjustments are required the same are also being made.
VIII	(a) In Delhi Wireless Unit, reconciliation of balances of subscriber's deposits as per subsidiary records with financial books (WFMS) is still in progress and the impact, if any, of the differences arising out of such reconciliation on standalone Ind-AS financial statements cannot be ascertained and quantified at present. (b) Unlinked credit of Rs. 51.04 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. (Also refer note no. 64 and 75 to the standalone Ind-AS financial statements).	(a) The reconciliation is almost completed. Necessary adjustments entries, if any, shall be passed after finalisation it. In view of above the impact is not ascertainable. (b) The non matching is basically due to the non identification of the subscribers for want of their customer account numbers not available due to wrong or non provision of the same at the time of payment or due to wrong punching of it in the customer records. Besides it is a continuous process and necessary adjustments entries, if any, will be made on reconciliation, if necessary. Besides the reconciliation is under process and same will be completed in due course of time.



IX	Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. The resultant impact of the same on the statement of profit and loss by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.	Noted and necessary instructions have been reiterated and WIP review is also continuously being done to ensure that the works are completed in time and there is no delay in the submission of completion certificates in case of works already completed but shown under WIP and as a result of such review the WIP has been got reduced and capitalised pertaining to previous years. In view of above and also the ongoing process of capitalisation of old to oldest WIP, management do not expect that there could be any impact and thereby the same is not ascertainable impact at this stage.
X	Certain Land and Buildings transferred to MTNL from DOT in earlier years have been reflected as leasehold. In the absence of relevant records, we are not in a position to comment on the classification, capitalization and amortization of the same as leasehold and also the consequential impacts, if any, of such classification, capitalization and amortization not backed by relevant records. In the absence of relevant records, impact of such classification on the standalone Ind-AS financial statements cannot be ascertained and quantified.	The perpetual lease is given to these properties and DOT transferred these on as is where is basis as per sale deed with liability to pay stamp duty at the time of registration in the name of MTNL as and when the same is needed. As such there is no impact expected due to the classification. In view of above the impact is not ascertainable.
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. As explained the demand for spectrum usage for CDMA has been revised by Rs. 107.44 Crores on account of rectification of actual usage. Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by the Company and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the	Dept. of Telecom has levied one time spectrum charges for the GSM and CDMA spectrum on MTNL and the spectrum given on trial basis to the extent of 4.4 Mhz in 1800 Mhz frequency is also included in calculations. The calculations are further subject to changes in the quantum of spectrum holding and the remaining valid period of license as per D.O.T. MTNL has surrendered spectrum allotted on trial basis and does not require to pay for CDMA spectrum since it is also surrendered. D.O.T. has been apprised of the same and the matter is still under correspondence Besides, ab-initio, the very policy of levy of one time spectrum charges by DOT itself has been challenged by private operators and is sub judice as on date whereas MTNL's case is also to be decided by D.O.T. on the basis of outcome of the court case and the spectrum surrendered or retained. The finalisation of charges and the modalities of payment are therefore to be crystallized yet and as on date the position is totally indeterminable as to



	amount payable, if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3205.71 Crores has been disclosed as contingent liability. In view of the above we are not in a position to comment on the correctness of the stand taken by the Company and the ultimate implications of the same on the standalone Ind-AS financial statements of the Company. (Also refer note no. 58 to the standalone Ind-AS financial statements).	the quantum of charges and also the liability. Pending final outcome of the issue which itself is subjudice and non finality of quantum of charges payable, if at all, to DOT, no provision is made in the books of accounts. However the contingent liability of Rs.3205.71 crores is shown on the basis of the demand raised by D.O.T.in respect of GSM. The issue is under litigation in respect of other operations and DOT finalises the case on disposal of litigation and at that time action for MTNL will also be made clear by DOT. As such only contingent liability on the basis of old demands of DOT is made and neither DOT is demanding thereafter till now and no issue is also raised by DOT on this. Hence issue gets resolved on final decisions of govt. In view of above the impact is not assessable.
XII	In Mumbai Unit, the Company has been awarded a long duration contract from Larsen & Turbro (L&T) for design, development, implementation & Maintenance of CCTV based surveillance system for Mumbai City. The Company has not recognized profit/loss on the basis of percentage of completion method of accounting as prescribed under Indian Accounting Standard (Ind-AS) – 18 on "Revenue". In the absence of any working/detail, we are not in a position to comment on the impact thereof on the standalone Ind-AS financial statements. (Also refer note no. 77 to the standalone Ind-AS financial statements).	The contractual terms & conditions are undergoing change and were under deliberations with Larsen & Turbro (L&T) and an addendum to the agreement is to be signed shortly between MTNL & L&T which is in the final stage of reaffirmation and therefore further action or any working of profit or loss can be ascertainable only after the addendum is got entered into. As such there is no scope to recognise profit& loss at this point of time.



ANNEXURE I

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
CIN No: L32101DL19B6G01023501

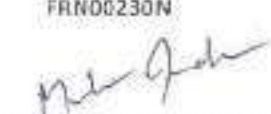
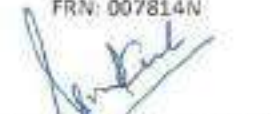
**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]

SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In crs)
1.	Turnover/Total Income	2,227.02	2,272.02
2.	Total Expenditure	5,922.70	6,114.71
3.	Net Profit/(Loss)	(3,695.68)	3,887.69
4.	Earnings Per Share	(58.56)	(61.71)
5.	Total Assets	16,656.08	16,528.74
6.	Total Liabilities	16,656.08	16,528.74
7.	Net Worth	(13,585.65)	(13,777.66)
8.	Any other financial item(s) (as felt appropriate by the management)	— NA —	

II.	Audit Qualification (each audit qualification separately):
	a. Details of Audit Qualification: Attached
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: <i>Item No 1 to 11 of qualification are repetitive and item no 12 is addition during the current year.</i>
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same:
	(iii) Auditors' Comments on (i) or (ii) above:

III.	Signatories:	
	For Vinod Kumar & Associates Chartered Accountants FRN00230N	For Kumar Vijay Gupta & Co. Chartered Accountants FRN: 007814N
	 (P. K. Purwar) CMD	 (Suneeta Trivedi) Audit Committee Chairperson
	 (CA. Mukesh Dadhich) Partner M.No. 057480	 (CA. Pawan Kumar Garg) Partner M.No. 057480
		
	Place: New Delhi	
	Date: 22 nd July, 2020	

ANNEXURE I

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
CIN No: L32101DL1986GOI023501

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]

SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover/Total Income	2,316.58	2,316.58
2.	Total Expenditure	6,009.48	6,201.49
3.	Net Profit/(Loss)	(3,693.72)	(3,885.73)
4.	Earnings Per Share	(58.63)	(61.68)
5.	Total Assets	16,688.06	16,560.72
6.	Total Liabilities	16,688.06	16,560.72
7.	Net Worth	(13,582.09)	(13,774.10)
8.	Any other financial item(s) (as felt appropriate by the management)	-----NA-----	

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: : *The 1 to 11 items of qualification are repetitive and item no at 12 is addition during the year.*

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

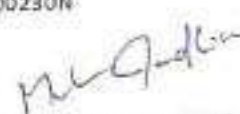
e. For Audit Qualification(s) where the impact is not quantified by the auditor

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

(iii) Auditors' Comments on (i) or (ii) above:

III. Signatories:

 (P. K. Purwar) CMD	 (Suneeta Trivedi) Audit Committee Chairperson	For Vinod Kumar & Associates Chartered Accountants FRN00230N  (CA. Mukesh Dadhich) Partner M.No. 511741	For Kumar Vijay Gupta & Co. Chartered Accountants FRN: 007814N  (CA. Pawan Kumar Garg) Partner M.No. 097900
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Place: New Delhi

Date: 22nd July, 2020

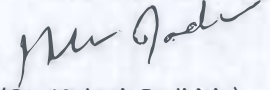


ANNEXURE I

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
 CIN No: L32101DL1986GO1023501

Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]				
I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In crs)
	1.	Turnover/Total Income	1,788.41	1,814.28
	2.	Total Expenditure	4,250.20	4442.21
	3.	Net Profit/(Loss)	(2,461.79)	(2627.93)
	4.	Earnings Per Share	(39.08)	(41.73)
	5.	Total Assets	13,350.75	13,241.41
	6.	Total Liabilities	29390.63	29447.43
	7.	Net Worth	(16039.88)	(16206.02)
	8.	Any other financial item(s) (as felt appropriate by the management)	---NA---	
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: <i>Attached</i>			
	b. Type of Audit Qualification : <i>Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</i>			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: <i>Item No 1 to 12 of qualification are repetitive and item no 13 to 16 is addition during the current year.</i>			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor			
	(i) Management's estimation on the impact of audit qualification:			
	(ii) If management is unable to estimate the impact, reasons for the same:			
	(iii) Auditors' Comments on (i) or (ii) above:			
III.	Signatories:			
	 P. K. Purwar CMD	 Audit Committee Chairperson	For Vinod Kumar & Associates Chartered Accountants FRN00230N  (CA. Mukesh Dadhich) Partner 	For SPMG & Co. Chartered Accountants FRN: 509249C VINOD GUPTA Digitally signed by VINOD GUPTA Date: 2021.06.29 16:35:05 +05'30' (CA. Vinod Gupta) Partner M.No. 090687
	Place: New Delhi			
	Date: 29th June, 2021			

ANNEXURE I

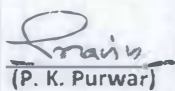
MAHANAGAR TELEPHONE NIGAM LIMITED
(A Govt. of India Enterprise)

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

CIN No: L32101DL1986GOI023501

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]

I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	1,872.87	1,898.74
	2.	Total Expenditure	4,332.87	4524.88
	3.	Net Profit/(Loss)	(2,460.00)	(2626.14)
	4.	Earnings Per Share	(39.07)	(41.68)
	5.	Total Assets	13,375.35	13266.01
	6.	Total Liabilities	29419.85	29476.65
	7.	Net Worth	(16,044.50)	(16210.64)
	8.	Any other financial item(s) (as felt appropriate by the management)	-----NA-----	
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: b. Type of Audit Qualification : Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~ c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: : The 1 to 12 items of qualification are repetitive and item no at 13 to 16 is addition during the year. d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views. e. For Audit Qualification(s) where the impact is not quantified by the auditor (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:			
III.	Signatories: For Vinod Kumar & Associates Chartered Accountants FRN00230N  (P. K. Purwar) CMD For SPMG & Co. Chartered Accountants FRN: 509249C  (CA. Vinod Gupta) Partner M.No.090687 Place: New Delhi Date: 29th June, 2021			

ANNEXURE I

MAHANAGAR TELEPHONE NIGAM LIMITED

(A Govt. of India Enterprise)

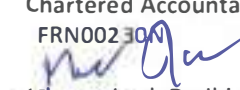
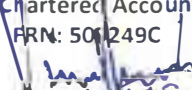
Corporate & Registered Office: Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003

CIN No: L32101DL1986GOI023501

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]

I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In crs)
	1.	Turnover/Total Income	1,696.90	1,730.42
	2.	Total Expenditure	4,299.49	4,555.82
	3.	Net Profit/(Loss)	(2,602.59)	(2,825.40)
	4.	Earnings Per Share	(41.31)	(44.85)
	5.	Total Assets	12,303.64	12,156.14
	6.	Total Liabilities	30,960.09	31,035.40
	7.	Net Worth	(18,656.45)	(18,879.26)
	8.	Any other financial item(s) (as felt appropriate by the management)	----NA-----	-----NA-----
II.	Audit Qualification (each audit qualification separately): a. Details of Audit Qualification: <i>Attached</i> b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: <i>Item No 1 to 14 of qualification are repetitive.</i> d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: e. For Audit Qualification(s) where the impact is not quantified by the auditor (i) Management's estimation on the impact of audit qualification: The view of Auditors & Management are in the attached annexure. (ii) If management is unable to estimate the impact, reasons for the same: Reply Attached (iii) Auditors' Comments on (i) or (ii) above: : Reply Attached .			
III.	Signatories:  (P. K. Purwar) CMD  (Vishwas Pathak) Audit Committee Chairman For Vinod Kumar & Associates Chartered Accountants FRN00230N  (Ch. Mukesh Dadhich)  For SPMG & Co. Chartered Accountants FRN: 501249C  (CA. Vinod Gupta) Partner M.No. 010687  Place: New Delhi Date: 30th May, 2022			

8

ANNEXURE I

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

CIN No: L32101DL1986GOI023501

Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2019]

I.	SLNO	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In crs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	1,777.92	1,811.44
	2.	Total Expenditure	4,379.28	4,635.61
	3.	Net Profit/(Loss)	(2603.12)	(2,825.93)
	4.	Earnings Per Share	(41.32)	(44.86)
	5.	Total Assets	12,316.74	12,169.24
	6.	Total Liabilities	30,985.00	31,060.31
	7.	Net Worth	(18,668.26)	(18,891.07)
	8.	Any other financial item(s) (as felt appropriate by the management)	-----NA-----	-----NA-----

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: : **The 1 to 14 items of qualification are repetitive**

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

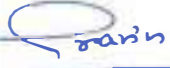
e. For Audit Qualification(s) where the impact is not quantified by the auditor

(i) Management's estimation on the impact of audit qualification: The view of Auditors & Management are in the attached annexure.

(ii) If management is unable to estimate the impact, reasons for the same: Reply Attached

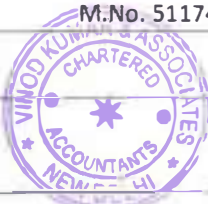
(iii) Auditors' Comments on (i) or (ii) above Reply Attached

III. Signatories:

 (P. K. Purwar) CMD	 (Vishwas Pathak) Audit Committee Chairman	For Vinod Kumar & Associates Chartered Accountants FRN00230N  (CA. Mukesh Dadhich) Partner M.No. 511741	For SPMG & Co. Chartered Accountants FRN: 509249C  (CA. Vinod Gupta) Partner M.No. 090687
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Place: New Delhi

Date: 30th May, 2022





ANNEXURE – IV

SHAREHOLDING

PATTERN



MAHANAGAR TELEPHONE NIGAM LIMITED
(A GOVERNMENT OF INDIA ENTERPRISE)

CIN L32101DL1986GOI023501

Registered and Corporate Office: Mahanagar Doorsanchar Sadan 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi - 110 003. Tel: 011-24319020, Fax: 011-24324243, Website: www.mtnl.net.in / www.bol.net.in

MTNL/SECTT/SE/2022

October 13, 2022

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

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

SUB: COMPLIANCE OF REGULATION 31 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 – HOLDING OF SPECIFIED SECURITIES AND SHAREHOLDING PATTERN FOR THE QUARTER ENDED 30TH SEPTEMBER, 2022.

Dear Sir,

Pursuant to Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Holding of specified securities and shareholding pattern of Mahanagar Telephone Nigam Limited for the Quarter ended 30th September, 2022 is enclosed for your kind information.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,

(S R SAYAL)
COMPANY SECRETARY

SHAREHOLDING PATTERN			
1	Name of Listed Entity:		MAHANAGAR TELEPHONE NIGAM LIMITED
2	Scrip Code/Name of Scrip/Class of Security		Equity
3	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)		Reg.31(1)(b)
	a.	If under 31(1)(b) then indicate the report for Quarter ending	30th September, 2022
	b.	If under 31(1)(c) then indicate date of allotment/extinguishment	
4	Declaration: The Listed entity is required to submit the following declaration to the ex		
	Particulars		Yes* No*
	1	Whether the Listed Entity has issued any partly paid up shares?	No
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
	3	Whether the Listed Entity has any shares against which depository receipts are issued?	Yes
	4	Whether the Listed Entity has any shares in locked-in?	No
	5	Whether any shares held by promoters are pledge or otherwise encumbered?	No



एस. आर. स्याल
 S. R. SAYAL
 कम्पनी सचिव/Company Secretary
 म. टेलि. निगम कार्यालय / M.T.N.L. Corporate Office
 महानगर दूरसंचार सदन / Mahanagar Doorsanchar Sadan
 ० सीजीओ कॉम्प्लेक्स, नई दिल्ली-110 001

MAHANAGAR TELEPHONE NIGAM LIMITED
SHAREHOLDING PATTERN AS ON 30th September, 2022
Table - I Summary Statement holding of specified securities

Category (I)	Category of Shareholder (II)	No of Shareholders (III)	No. of fully paid Equity Share Held (IV)	No. Of Partly Paid Equity Shares Held (V)	No. Of shares underlying Depository Receipts (VI)	Total Nos. Shares Held (VII) = IV+V+VI	Shareholding as a % of total no of Shares (calculated as per SCRR 1957) (VIII) as a % of (A+B+C2)	No of Voting Rights held in each class of securities (IX)				No of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversions of convertible securities (as a % of diluted equity capital) (XI)=VII+X as a % of (A+B+C2)	No. of Locked in Shares (XII)		No of Shares pledged or otherwise encumbered (XIII)		No of Equity Shares Held in Dematerialized form (XIV)
								Class X	Class Y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter & Promoter Group	1	354378740	0	0	354378740	56.8862	354378740	0	354378740	56.2506	0	56.8862	0	0.0000	0	0.0000	354378740
(B)	Public	193390	268581866	0	0	268581866	43.1138	268581866	0	268581866	43.7494	0	43.1138	0	0.0000	22915019	8.3140	268508891
(C)	Non Promoter - Non Public	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(C1)	Shares Underlying DRs	1	7039394	0	0	7039394	1.1300	7039394	0	7039394	1.1174	0	1.1300	0	0.0000	0	0.0000	7039394
(C2)	Share Held By Employees Trusts	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
	Total	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
	Total A+B+C1+C2	193392	630000000	0	0	630000000	100.0000	630000000	0	630000000	100.0000	0	100.0000	0	0.0000	22915019	3.6373	629927025


एस. आर. स्याल
S. R. SAYAL
कम्पनी सचिव / Company Secretary
म.ट.नि.लि. निगम कार्यालय / M.T.N.L. Corporate Office
महानगर दूरसंचार सदन / Mahanagar Doorsanchar Sadan
९ सी.जी.ओ. कॉम्प्लेक्स नई दिल्ली-3/9, C.G.O. Complex, New Delhi-3

[illegible]

एस. आर. स्याल
S. R. SAYAL
कम्पनी सचिव / Company Secretary
म.टि.निलि. निगम कार्यालय / M.T.N.L. Corporate Office
महानगर दूरसंचार सदन / Mahanagar Doorsanchar Sadan
० सी.टी.ओ. कॉम्प्लेक्स, नई दिल्ली-३, ९, C.O. Complex, New Delhi-3

MAHANAGAR TELEPHONE NIGAM LIMITED
SHAREHOLDING PATTERN AS ON 30th September, 2022
Table - III Statement showing shareholding pattern of the Public shareholding

S.No.	Category & Name of the Shareholder (I)	PAN (II)	No of Sharehold-ers (III)	No. of fully paid Equity Share Held (IV)	No. Of Partly Paid Equity Shares Held (V)	No . Of shares underlying Depository Receipts (VI)	Total Nos. Shares Held (VII) = IV+V+VI	Shareholding as a % of total no of Shares (calculated as per SCRR 1957) (VIII) as a % of (A+B+C2)	No of Voting Rights held in each class of securities (IX)				No of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversions of convertible securities (as a % of diluted equity capital) (XI)=VII+X as a % of (A+B+C2)	No. of Locked in Shares (XII)		No of Shares pledged or otherwise encumbered (XIII)		No of Equity Shares Held in Dematerialized form (XIV)	Sub-categorization of shares (XV)		
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		Shareholding (No. of shares) under		
									Class X	Class Y	Total									Sub-category (i)	Sub-category (II)	Sub-category (III)
(1)	Institutions																					
(a)	Mutual Funds		11	4500	0	0	4500	0.0007	4500	0	4500	0.0007	0	0.0007	0	0.0000	N/A		100			
(b)	Venture Capital Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(c)	Alternate Investment Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(d)	Banks		9	1001705	0	0	1001705	0.1608	1001705	0	1001705	0.1590	0	0.1608	0	0.0000	N/A		1000105			
(e)	Insurance Companies		3	85647471	0	0	85647471	13.7485	85647471	0	85647471	13.5948	0	13.7485	0	0.0000	N/A		85646971			
	Life Insurance Corporation Of India	AAACLO582H		82659957	0	0	82659957	13.2689	82659957	0	82659957	13.1206	0	13.2689	0	0.0000	N/A		82659457			
(f)	Provident Funds/ Pension Fund		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(g)	Asset Reconstruction Companies		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(h)	Sovereign Wealth Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(i)	NBFCs registered with RBI		3	850	0	0	850	0.0001	850	0	850	0.0001	0	0.0001	0	0.0000	N/A		850			
(j)	Other Financial Institutions		1	100	0	0	100	0.0000	100	0	100	0.0000	0	0.0000	0	0.0000	N/A		0			
	Sub-total (8)(1)		27	86654626	0	0	86654626	13.9101	86654626	0	86654626	13.7547	0	13.9101	0	0.0000	N/A		86648026			
(2)	Institutions (Foreign)																					
(a)	Foreign Direct Investment		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(b)	Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(c)	Sovereign Wealth Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(d)	Foreign Portfolio Investors Category I		5	2350693	0	0	2350693	0.3773	2350693	0	2350693	0.3731	0	0.3773	0	0.0000	N/A		2350693			
(e)	Foreign Portfolio Investors Category II		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(f)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
	OTHER Foreign Institution Investor		5	600	0	0	600	0.0001	600	0	600	0.0001	0	0.0001	0	0.0000	N/A		0			
(g)	Any other		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
	Sub-Total 3(2)		10	2351293	0	0	2351293	0.3774	2351293	0	2351293	1.4906	0	0.3774	0	0.0000	N/A		2350693			
(3)	Central Government / State Government(s)																					
(a)	Central Government / President of India		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(b)	State Government / Governor		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	N/A		0			
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		1	2500	0	0	2500	0.0004	2500	0	2500	0.0004	0	0.0004	0	0	N/A		2500			
	Sub-Total 3(3)		1	2500	0	0	2500	0.0004	2500	0	2500	0.0004	0	0.0004	0	0	N/A		2500			
(4)	Non-institutions																					
(a)	Associate companies / Subsidiaries		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	0	0	N/A		0			
(b)	Directors and their relatives (excluding independent directors and nominee directors)		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	0	0	N/A		0			
(c)	Key Managerial Personnel		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	0	0	N/A		0			
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	0	0	N/A		0			
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	0	0	N/A		0			
(f)	Investor Education and Protection Fund (IEPF)		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	0	0	N/A		0			
(g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs		186746	100000233	0	0	100000233	16.0524	100000233	0	1E+08	15.8731	0	16.0524	0	0	N/A		99940458			
(h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs		753	60805065	0	0	60805065	9.7607	60805065	0	60805065	9.6516	0	9.7607	0	0	N/A		60805065			
	Kamlesh B Shah	AFXPS4908R		8039765	0	0	8039765	1.2906	8039765	0	8039765	1.2762	0	1.2906	0	0	N/A		8039765			
(i)	Non Resident Indians (NRIs)- Non - Repatriable		606	714272	0	0	714272	0.1147	714272	0	714272	0.1134	0	0.1147	0	0	N/A		714272			
	Non Resident Indians (NRIs)- Repatriable		634	1152069	0	0	1152069	0.1849	1152069	0	1152069	0.1829	0	0.1849	0	0	N/A		1152069			
(j)	Foreign Nationals		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	0	0	N/A		0			
(k)	Foreign Companies		2	6000	0	0	6000	0.0010	6000	0	6000	0.001	0	0.0010	0	0	N/A		0			
(l)	Bodies Corporate		860	7662773	0	0	7662773	1.2301	7662773	0	7662773	1.2163	0	1.2301	0	0	N/A		7656773			
(m)	Trusts		14	442989	0	0	442989	0.0711	442989	0	442989	0.0703	0	0.0711	0	0	N/A		0			
	OTHER - HUF		3737	8790046	0	0	8790046	1.4110	8790046	0	8790046	1.3952	0	1.4110	0	0	N/A		8790046			
	Sub-Total (8)(4)		193352	179573447	0	0	179573447	28.8258	179573447	0	1.8E+08	28.5037	0	28.8258	0	0	N/A		179507672			
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3) + 8(4)		193390	268581866	0	0	268581866	43.1138	268581866	0	2.69E+08	43.7494	0	43.1138	0	0	N/A		268581866			

MAHANAGAR TELEPHONE NIGAM LIMITED
SHAREHOLDING PATTERN AS ON 30th September, 2022

Table - IV Statement showing shareholding pattern of the Non Promoter - Non Public shareholder

S.No.	Category & Name of the Shareholder (I)	PAN (II)	No of Sharehold ers (III)	No. of fully paid Equity Share Held (IV)	No. Of Partly Paid Equity Shares Held (V)	No . Of shares underlying Depository Receipts (VI)	Total Nos. Shares Held (VII) = IV+V+VI	Shareholding as a % of total no of Shares (calculated as per SCRR 1957) (VIII) as a % of (A+B+C2)	No of Voting Rights held in each class of securities (IX)			No of shares undelying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversions of convertible securities (as a % of diluted equity capital) (XI)=VII+X as a % of (A+B+C2)	No. of Locked in Shares (XII)		No of Shares pledged or otherwise encumbered (XIII)		No of Equity Shares Held in Dematerialize d form (XIV)	
									No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
									Class X	Class Y	Total								
(1)	Custodian/DR Holder		1	7039394	0	0	7039394	1.1300	7039394	0	7039394	1.1174	0	1.1300	0	0.0000	N/A	7039394	
(a)	The Bank Of New York Mellon	AACCT296	1	7039394	0	0	7039394	1.1300	7039394	0	7039394	1.1174	0	1.1300	0	0.0000	N/A	7039394	
(2)	Employees Benefit Trust (under SEBI Based employees benefit) Regulation 2014																N/A		
(a)	names																N/A		
																	N/A		
	Total Non-Promoter Non Public shareholding C = C1+C2		1	7039394	0	0	7039394	1.13	7039394	0	7039394	1.1174	0	1.1300	0	0	N/A	7039394	


R. SAYAL

कम्पनी सचिव/Company Secretary

म.टेलि. निगम कार्यालय/M.T.N.L. Corporate Office
महानगर दूरसंचार सदन/Mahanagar Doorsanchar SaJan
० सीजीओ कॉम्प्लेक्स, नई दिल्ली-3/9, C.G.O. Complex, New Delhi-3

ANNEXURE – V

BOARD

RESOLUTIONS

EXTRACTS OF THE MINUTES OF 351ST MEETING OF THE BOARD OF DIRECTORS OF MAHANAGAR TELEPHONE NIGAM LIMITED HELD ON FRIDAY, 12TH AUGUST, 2022 AT 04.30PM IN THE CONFERENCE ROOM AT 5TH FLOOR, MAHANAGAR DOORSANCHAR SADAN, 9 CGO COMPLEX, LODHI ROAD, NEW DELHI-110003.

ITEM NO.12 ISSUE OF SOVEREIGN GUARANTEE BONDS OF RS.17,571 CRORES AS PER THE CABINET APPROVAL IN RESPECT TO THE REVIVAL OF MTNL.

The highlights of the proposal were explained to the Board as contained in the agenda note and after discussions the Board accorded its approval to the same.

The following resolutions were passed:-

1. **"RESOLVED THAT** subject to the approval of the President of India under article 69(1) (D) & 72 (21) of the Articles of Association of the Company, the Chairman & Managing Director be and is hereby authorized to issue private placement of Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, Taxable Bonds in the nature of Debentures (NCDs) to the extent of Rs. 17,571 Crores (Rs 10,910 Crores and Rs 6,661 Crores in FY 2022-23 and FY 2023-24 respectively) with tenure of 10 years or more, in the denomination of Rs. 10,00,000/- each or in such denomination as decided subsequently, based on the consultation with the government and arrangers on Private Placement basis, in accordance with the provisions of the Companies Act, 2013; SEBI Act, 1992 and other applicable guidelines, if any, issued by the Govt. of India in this regard.
2. **"RESOLVED THAT** the Chairman & Managing Director be and is hereby authorized to decide the rate of interest on the Bonds in accordance with terms and conditions of MOF letter for bonds based on Sovereign Guarantee to be conveyed."
3. **"RESOLVED THAT** the Chairman & Managing Director be and is hereby authorized to appoint/ratify the appointment of various agencies such as Rating Agencies, Lead Managers/Arrangers, Bankers, Legal Advisers, Registrars, Trustees and Printers etc. to the issue on such terms and conditions as mutually agreed upon. The Rating agencies, Trustee, Registrar & Transfer agent, Bankers

Registered and Corporate Office: Mahanagar Doorsanchar Sadan 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi - 110 003. Tel: 011-24319020, Fax: 011-24324243, Website: www.mtnl.net.in / www.bol.net.in



DGM (Accts)
Sr mgt (A/y)

MAHANAGAR TELEPHONE NIGAM LIMITED
(A Govt. of India Enterprise)
 CIN L32101DL1986GOI02350

may be engaged on the basis of previous issues without inviting the fresh quotes from the parties."

4. **"RESOLVED THAT** the Chairman & Managing Director be and is hereby authorized to incur expenditure towards fees of Arrangers/Managers, for the issue of bonds on private placement basis. The actual cost of Bonds will depend upon the market conditions and various other factors at the time of issue of Bonds."
5. **"RESOLVED THAT** the Company Secretary be and is hereby authorized to issue the allotment letters to the subscribers on such terms and conditions as approval by the Chairman & Managing Director."
6. **"RESOLVED THAT** the necessary trusteeship documents be executed by Director (Finance) or General Manager (Fin) duly approved by CMD on behalf of the Nigam as may be required by the Bond Trustees for setting out terms and conditions relating to Bonds Issue."
7. **"RESOLVED THAT** the Common Seal of the Nigam be affixed to the fair stamped engrossment (in duplicate) of the Trusteeship documents in accordance with the provisions of the Article 73 of the Articles of the Associations of the Nigam in the presence of Director (Finance) or Company Secretary who shall sign the same in token of the affixing of the Common Seal of the Nigam to these documents in their presence."
8. **"RESOLVED THAT** GM (Finance) and/or Company Secretary be / are hereby authorized to furnish all particulars/ returns and to file documents with Registrar of Companies/SEBI/Stock Exchange/other institutions in respect of issue and servicing of Bonds in the appropriate form as may be required."
9. **"RESOLVED THAT** for issue of Bonds Certificates in physical form, facsimile signatures of Chairman & Managing Director and Director (Fin) be affixed to the Bond Certificates together with manual signature of GM (Fin)/Company Secretary. Resolved that the Common Seal of the Company be affixed on Bond Certificates by mechanical process in the presence of Director (Fin) and Company Secretary."

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 Lodhi Road, New Delhi - 110 003. Tel: 011-24319020, Fax: 011-24324243, Website:
www.mtnl.net.in / www.bol.net.in



MAHANAGAR TELEPHONE NIGAM LIMITED
(A Govt. of India Enterprise)
CIN L32101DL1986GOI02350

10. "RESOLVED THAT the Chairman & Managing Director, Director (Finance), GM (Fin) and Company Secretary be and are hereby authorized to do or cause to be done all such acts, deeds and things as may be necessary for execution of the said Trusteeship documents and to take follow up action with the Registrar of the Companies/SEBI/Stock Exchange/ other institutions and to do or cause to be done all such acts, deeds and things as may be considered necessary to give effect to the above resolutions."

CERTIFIED TO BE TRUE COPY



(S.R.SAYAL)

COMPANY SECRETARY (FCS No. 3581)
70B/PocketGG2, Vikas Puri, New Delhi-110018

Registered and Corporate Office: Mahanagar Doorsanchar Sadan 5th Floor, 9 CGO Complex,
Lodhi Road, New Delhi - 110 003. Tel: 011-24319020, Fax: 011-24324243, Website:
www.mtnl.net.in / www.bol.net.in



MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)
CIN U32101DL1986GOI023501

EXTRACT OF THE MINUTES OF 347TH MEETING OF THE BOARD OF DIRECTORS OF MAHANAGAR TELEPHONE NIGAM LIMITED HELD ON THURSDAY, 07TH OCTOBER, 2021 AT 03.30 PM IN THE CONFERENCE ROOM AT 5TH FLOOR, MAHANAGAR DOORSANCHAR SADAN, 9 CGO COMPLEX, LODHI ROAD, NEW DELHI-110003.

ITEM NO. 8 RAISING THE BORROWING POWERS OF BOARD FROM Rs. 25000 CRORES TO Rs. 30000 CRORES.

The above proposal was circulated to the Board for approval by circulation vide letter/e-mail dt. 18.09.2021

The Board considered the proposal as contained in the agenda note and after deliberations the Board accorded its approval for increasing the borrowing power of the company under section 180(1)(c) of the Companies Act 2013 from the existing Rs 25,000 crores to Rs 30,000 crores and passed the following resolution:-

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the company, subject to the approval of the shareholders in the general meeting and subject to the approval of the President of India, the Board of Directors be and is hereby authorized to borrow from time to time at its discretion and as per requirement, from the banks, financial institutions, mutual funds directly or through issue of bonds or debentures to the banks, financial institutions, mutual funds, merchant bankers, PF trusts or the other retirement/ superannuation funds or to general public including non resident and/or from any other source including external commercial borrowings, commercial papers on such terms & conditions as it may deem fit, such sums as may be considered necessary up-to the limit of Rs. 30,000/- crore outstanding at any one time and that such borrowings shall be exclusive of temporary loans/short term loans obtained from the Company's Bankers in the ordinary course of business."

CERTIFIED TO BE TRUE COPY

**(S.R. SAYAL)
COMPANY SECRETARY**

Mahanagar Doorsanchar Sadan 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi-110003.
Tel: 011-24319020, Fax: 011-24324243, Website: www.mtnl.net.in / www.mtnl.co.in

प्रमाणित किया जाता है कि यह सच है।
S. R. SAYAL
Company Secretary
परेलिमि नैव कार्यालय/MTNL, Corporate Office
महानगर दूरसंचार भवन/MTNL, Corporate Office
असिस्टेंट सेक्रेटरी, नई दिल्ली-110003

ANNEXURE – VI

AGM

RESOLUTIONS



MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)
CIN L32101DL1986GOI023501

EXTRACTS OF THE MINUTES OF THE 36TH ANNUAL GENERAL MEETING OF MAHANAGAR TELEPHONE NIGAM LIMITED HELD ON MONDAY THE 10TH OCTOBER, 2022 AT 11.30 AM THROUGH VC/OAVM.

ITEM NO.6 TO APPROVE THE ISSUE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS.

99.85% shareholders voted in favour of the resolution while 0.15% voted against the resolution. The resolution following was passed as a **Special Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 42 & Section 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to the provisions of the Article of Association of the Company and subject to such other approvals as may be required, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite or invite subscriptions for Government Guaranteed, Unsecured, Listed, Redeemable Non-Convertible debentures in the nature of Bonds (NCDs), in one or more series / tranches, aggregating up to Rs. 17,571 Crores (Rupees Seventeen Thousand and Five Hundred and Seventy One only) on Private Placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including the timing/date of issue of Debentures, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.”

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(S.R.SAYAL)

**COMPANY SECRETARY (FCS No. 3581)
70B/PocketGG2, Vikas Puri, New Delhi-110018**



MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

CIN L32101DL1986GOI023501

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE SECRETARIAL STANDARD ON GENERAL MEETINGS

ITEM NO. 6. TO APPROVE THE ISSUE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS:

Union Cabinet in its meeting held on 27th July 2022 has considered and approved the debt restructuring plan of MTNL for FY 2022-23 and FY 2023-24. The approval has been conveyed by DoT vide para 2.6 of its OM No. 20-28/2022-PR dated 02nd August 2022 , to raise Sovereign Guarantee Bonds, with tenure of 10 years or more, for an amount of Rs 17,571 crore (Rs 10,910 crore for FY 2022-23 and Rs 6,661 crore for FY 2023-24), with waiver of guarantee fee to repay high cost debt and restructure it with new substantial loan.

Therefore, your Company intends to raise Bonds upto Rs. 17,571 crore (Rs 10,910 crore for FY 2022-23 and Rs 6,661 crore for FY 2023-24) in two financial years as approved by the Union Cabinet, through private placement of Government of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, Taxable Bonds with tenure of 10 years or more, in the nature of Debentures (NCDs)

In view of the above and to meet the requirements of Section 42 of the Companies Act, 2013 read with applicable rules under Rule 14 of the Companies (Prospectus and Allotment of Securities Rules) Rules 2014 for making of Private Placement of Government of India Guaranteed, Unsecured, Listed, Redeemable, Non-Convertible Bonds in the nature of Debentures (NCDs) upto Rs. 17,571 crore in one or more tranches to such person or persons, who may or may not be the Bond/Debenture holder of the Company, approval of the Shareholders of the Company is required by way of Special Resolution which is to be passed by Shareholders as per related provisions of Company Act 2013. The Shareholders' approval shall be valid for one year from the date of this AGM.

Accordingly, Consent of Shareholders is hereby sought for authorizing the Board for issue of Sovereign Guarantee Bonds of tenure of ten years or more amounting upto Rs.17,571 crore by passing a Special Resolution. This resolution shall be valid for one year from the conclusion of this Annual General Meeting (AGM).



MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

CIN L32101DL1986GOI023501

None of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders by way of Special Resolution.

CERTIFIED TO BE TRUE COPY

(S.R.SAYAL)

COMPANY SECRETARY (FCS No. 3581)

70B/PocketGG2, Vikas Puri, New Delhi-110018

17-01/2022-SUII

1/3060859/2022

No. 17-1/2022-SUII
 Government of India
 Ministry of Communications
 Department of Telecommunications

Sanchar Bhawan, New Delhi

Dated: 21.09.2022

OFFICE MEMORANDUM

Subject: Presidential Approval to raise long-term Sovereign Guarantee Bonds of Rs. 19,356 Cr (Rs. 8,446 Cr to BSNL and Rs. 10,910 Cr to MTNL) - regarding.

Sanction of the President of India is hereby conveyed to raise long-term Sovereign Guarantee Bonds of Rs. 19,356 Cr (Rs. 8,446 Cr to BSNL and Rs. 10,910 Cr to MTNL), subject to the term & condition contained in the Budget Division, Department of Economic Affairs OM.No. 12(21)-B(SD)/2022 dated 02.09.2022 (copy enclosed).

In addition BSNL/MTNL will ensure that proceeds from the proposed Sovereign Guarantees shall be utilized for the repayment of debts mentioned in Annexures 7 & 15 of the Cabinet Note.

This issues with the concurrence of the Member (F) vide Notes 26 dated 08.09.2022 and PSF Dy. No. 38/11/PSF/2022 dated 20.09.2022.


 21.09.2022
 (Chirendra Verma)
 Director (Project/MTNL)

To

1. The Chairman-cum-Managing Director
Bharat Sanchar Nigam Limited (BSNL)
New Delhi.
2. The Chairman-cum-Managing Director
Mahanager Telephone Nigam Limited (MTNL)
New Delhi.

Copy to:

1. PS to Hon'ble MoC
2. PS to Hon'ble MoSC
3. Department of Economic Affairs, Ministry of Finance
4. PPS to Secretary (T)
5. PPS to Member (F)/Member (T)/AS (T)



MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE;
CIN L32101DL1986GOI023501)

EXTRACT OF THE MINUTES OF THE 35TH ANNUAL GENERAL MEETING OF
MAHANAGAR TELEPHONE NIGAM LIMITED HELD ON THURSDAY THE
25TH NOVEMBER, 2021 AT 11.30 AM THROUGH VC/OAVM.

Item No.9 To Raise The Borrowing Powers of Board from Rs. 25000 Crore to Rs.
30000 Crore

Total of 99.87 % Shareholders voted in favour of the resolution while 0.13% voted
against the resolution. The following resolution was passed as a Special Resolution:-

*"RESOLVED THAT pursuant to the provisions of Section 130(1)(c) of the
Companies Act, 2013 and other applicable provisions, if any, of the Companies Act,
2013 and the Articles of Association of the company, subject to the approval of the
President of India, the Board of Directors be and is hereby authorized to borrow from
time to time at its discretion and as per requirement, from the banks, financial
institutions, mutual funds directly or through issue of bonds or debentures to the
banks, financial institutions, mutual funds, merchant bankers, PF trusts or the other
retirement/superannuation funds or to general public including non-resident and/or
from any other source including external commercial borrowings, Commercial papers
on such terms & conditions as it may deem fit, such sums as may be considered
necessary up-to the limit of Rs. 30,000/- crore outstanding at any one time and that
such borrowings shall be exclusive of temporary short-term loans obtained
from the Company's Bankers in the ordinary course of business."*

CERTIFIED TO BE TRUE COPY

(S.R.SAYAL)

COMPANY SECRETARY (ICS No. 3591)
70B/Pocket G-2, Vikas Puri, New Delhi-110018

Registered and Corporate Office: Mahanagar Doorsanchar Sadan 5th Floor, 9 CGO
Complex, Lodhi Road, New Delhi - 110 002 Tel: 011-24210100 Fax: 011-24211042

1/3062727/2022

No. 19-5/2014- SU-II (FTS No. 34232)
 Government of India
 Ministry of Communication
 Department of Telecommunications

Sanchar Bhawan, New Delhi
 Dated 30th September, 2022

ORDER

To,

The CMD,
 Mahanagar Telephone Nigam Limited (MTNL),
 5th Floor, Mahanagar Door Sanchar Sadan,
 9, CGO Complex, Lodhi Road,
 New Delhi-110 003.

Sub: Proposal for raising the borrowing power for long term debt from Rs. 25,000 Crore to Rs. 30,000 Crore - **Presidential Approval** - regarding.

Sir,

I am directed to refer to MTNL's letter No. MTNL/CO/BKG/Presidential Approval/Long Term/2019-20 dated 09.02.2022 on the subject mentioned above and to convey the Presidential Approval, in accordance with Article 72(21) of the Article of Association of the Company, for raising the borrowing powers of MTNL for long term loan from Rs. 25,000 crore to Rs. 30,000 crore till **31st March 2023** after which the borrowing power would stand reduced to Rs. 25,000 crore, subject to following terms and conditions:-

- i. The money so raised shall not be used for anything else except to repay high cost debt and restructure it with new sustainable loan as mentioned in Cabinet approval. The exercise of raising bonds and repayment of existing debts must be completed by 31st March 2023 after which the borrowing power will revert back to Rs. 25,000 Crore.
- ii. MTNL shall arrange to furnish an undertaking to the effect that the company will maintain an excellent track record of re-payment of dues to Banks/ financial institutions/ investors and is committed to honour the same.
- iii. MTNL shall periodically carry out a comprehensive review with reference to available alternatives/ cost effectiveness and take appropriate action accordingly and also chalk out action plan to service the loan and interest thereon.

1/3062727/2022

- iv. The Company should also ensure that they shall adhere to the provisions of the relevant Company Act/ SEBI guidelines and relevant Accounting Standard (A.S) etc.
- v. Total outstanding loan should not exceed Rs. 30,000 Crore at any point of time.

2. This is issued with the approval of competent authority and with the concurrence of PSF division diary no. 40/PSF/2022 Dated 30.09.2022

(Dhirendra Verma)
Director (Projects/MTNL)
23036032

ANNEXURE –

VII

RATING

LETTERS

No. CARE/DRO/RL/2022-23/2244

Shri Sultan Ahmed
General Manager – Finance
Mahanagar Telephone Nigam Limited
Room No. 4202, Mahanagar Doorsanchar Sadan,
4th Floor, 9, CGO Complex, Lodhi Road,
New Delhi – 110003,
Delhi.

November 02, 2022

Confidential

Dear Sir,

Credit rating for proposed Bond issue aggregating Rs.10,910 crore

Please refer to your request for rating of proposed long-term Bond issue aggregating to Rs.10,910 crore of your Company. The proposed Bonds would have tenure of 10 years with bullet repayment at the end of the tenure.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Bonds	10,910.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Assigned
	Total Instruments	10,910.00 (Rs. Ten Thousand Nine Hundred Ten Crore Only)		

Unsupported Rating

As stipulated vide SEBI circular dated June 13, 2019

CARE BB+ [Double B plus]

- The above rating is based on credit enhancement in the form of unconditional and irrevocable guarantee from the Government of India. The guarantee is operating through a trustee-administered structured payment mechanism for the timely transfer of required funds for repayment of the principal and interest to the designated account.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is **November 01, 2022**).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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- Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.
CARE Ratings Limited

8. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by **November 03, 2022**, we will proceed on the basis that you have no comments to offer.
9. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
10. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
11. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
12. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
13. Our ratings are **not** recommendations to buy, sell or hold any securities.
14. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

Kanav Sharma

Kanav Sharma
Lead Analyst
kanav.sharma@careedge.in

Encl.: As above

Puja Jalan

Puja Jalan
Associate Director
puja.jalan@careedge.in

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Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings Limited

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Email: care@careedge.in • www.careedge.in

Mahanagar Telephone Nigam Limited

November 03, 2022

Ratings

Facilities/Instruments*	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	9,810.34	CARE BB+; Stable (Double B Plus; Outlook: Stable)	Reaffirmed
Long-term/Short-term bank facilities	2,754.66	CARE BB+; Stable/CARE A4+ (Double B Plus; Outlook: Stable/A Four Plus)	Reaffirmed
Short-term bank facilities	9,435.00	CARE A4+ (A Four Plus)	Reaffirmed
Total bank facilities	22,000.00 (₹ Twenty-two thousand crore only)		
Non-convertible debentures [^]	2,980.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
Non-convertible debentures [^]	765.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
Bonds [^]	3,768.97	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
Bonds [^]	6,500.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Reaffirmed
Bonds [^]	10,910.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable]	Assigned
Total long-term instruments	24,923.97 (₹ Twenty-four thousand nine hundred twenty-three crore and ninety-seven lakh only)		

*Details of instruments in Annexure-1

[^]Backed by credit enhancement in the form of an unconditional and irrevocable guarantee from the Government of India (GoI), through the Department of Telecommunications (DoT), Ministry of Communications (MoC).

#Note: All rated instruments are non-convertible bonds in the nature of debentures.

Unsupported ratings²	CARE BB+ (Double B Plus) [Revised from CARE BB+/CARE A4+ (Double B Plus/A Four Plus)]
--	--

Note: Unsupported rating does not factor in the explicit credit enhancement.

Detailed rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of Mahanagar Telephone Nigam Limited (MTNL) factors in the additional funding lines of ₹2,000 crore, made available to MTNL, which has enabled the entity to meet the temporary cash flow mismatches and also ensured adequate liquidity for the near term. The company has sufficient undrawn bank lines, which adequately cover its debt servicing obligations up to December 2022. This apart, MTNL is in the process of raising bonds of ₹10,910 crore, which will support the debt servicing repayment of FY23 (refers to the period April 1 to March 31) as well as FY24 and the prepayment of substantial bank facilities. The ratings continue to factor in the majority ownership of the GoI, the presence of nominee directors appointed by the GoI on the board of MTNL, and the consistent support expected from the GoI.

The rating strengths are, however, tempered by the weak operational and financial performances, heavy interest burden, high human resource cost, and operations in a highly competitive industry.

Detailed rationale and key rating drivers for the credit enhanced debt

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

²As stipulated vide SEBI circular no SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 dated June 13, 2019. As per this circular, the suffix 'CE' (Credit Enhancement) is assigned to the ratings with explicit external credit enhancement, against the earlier used suffix 'SO' (Structured Obligation).

The reaffirmation of the ratings assigned to the debt instruments [bonds and non-convertible debenture (NCD) issues] of MTNL is based on the credit enhancement in the form of an unconditional and irrevocable guarantee from the GoI, through the DoT, MoC, supported by a trustee-administered structured payment mechanism, ensuring timely debt servicing. As confirmed by the debenture trustee to CARE Ratings Limited (CARE Ratings), the aforementioned structured payment mechanism has been consistently adhered to and is working as devised. The ratings continue to factor in the majority holding of the GoI, the demonstrated support in the past and expectation of the continued support in future from the GoI for the timely servicing of obligations towards instruments (bonds/NCDs raised by MTNL). CARE Ratings also takes cognisance of the recently approved revival package for Bharat Sanchar Nigam Limited (BSNL; bond rated 'CARE AAA (CE); Stable') and MTNL by the Union Cabinet, at its meeting held on July 27, 2022, and the Office Memorandum dated August 02, 2022, which highlights the support proposed to be extended to MTNL by the GoI.

Furthermore, CARE Ratings has assigned the rating to MTNL's proposed bond issue programme aggregating ₹10,910 crore. The same is based on credit enhancement in the form of an unconditional and irrevocable guarantee from the GoI, through the DoT, MoC, operating through a trustee-administered structured payment mechanism ensuring timely debt servicing.

Rating sensitivities

For credit enhanced debt – bonds/NCDs

Positive factors – Factors that could lead to positive rating action/upgrade:

Not applicable

Negative factors – Factors that could lead to negative rating action/downgrade:

- Non-adherence to the trustee-administered structured payment mechanism by any of the parties in the transaction.
- Any change in the focus or support from the GoI to MTNL.

For bank loans and unsupported ratings

Positive factors – Factors that could lead to positive rating action/upgrade:

- Sustained improvement in the financial and business performance of the company.

Negative factors – Factors that could lead to negative rating action/downgrade:

- Any change in the focus or support from the GoI to MTNL.
- Significant delay in the proposed bond issuance, thereby impacting the liquidity position.

Detailed description of the key rating drivers

Key rating strengths

Availability of additional funding line, resulting in liquidity improvement and regularisation of debt servicing:

MTNL has received a bridge loan sanction of ₹2,000 crore, which has enabled it to fund the temporary cash flow mismatch and regularise the debt servicing. While ₹350 crore was used for clearing all outstanding dues, the company has sufficient undrawn bank lines, which adequately cover its debt servicing obligations up to December 2022. Such liquidity support measures have resulted in an improvement in the cash flow position. Furthermore, the GoI, through the DoT, MoC, has issued a sovereign guarantee to the extent of ₹10,910 crore in favour of MTNL on October 27, 2022. The proceeds of such bond issuance will support the debt servicing repayment of FY23 as well as FY24 and the prepayment of substantial bank facilities. The funds are expected to be raised by the end of November 2022. Furthermore, based on the articulation by the company, an additional guarantee of ₹6,661 crore is due to be issued towards bond issuance in FY24. These guarantees are sufficient to discharge substantial prepayment bank facilities (erstwhile backed by LoC). Therefore, such availability of additional funding lines post default is expected to provide liquidity support to MTNL.

Majority ownership of the GoI: MTNL is one of the only two state-owned telecom service providers in India along with BSNL. The GoI holds the majority stake in MTNL (56.25% as on September 30, 2022), and the balance is held by the public. The company enjoys a 'Navratna Status', a status that gives greater autonomy to central public sector enterprises (CPSEs) in their investment and capital expenditure (capex) decisions. Such a status also aims at facilitating expansion of its operations both, in the domestic and global markets.

Sovereign guarantee for bonds and trustee administered structured payment mechanism: The bond/NCD issues are backed by an unconditional and irrevocable guarantee for the servicing of the entire issue (both, principal amount as well as the accrued interest) from the GoI through the DoT, MoC.

A trustee-administered structured payment mechanism is in place to ensure the timely payment of interest and principal obligations of the bond/NCD issues through a tripartite agreement between MTNL, the trustee, and the GoI, through the DoT, MoC. The trustee will facilitate the timely servicing of MTNL's obligations by the DoT, even if MTNL does not have sufficient funds to do so.

The following is the structured payment mechanism for the bond issue of size ₹3,768.97 crore (fully subscribed) and the NCD issue of ₹1,000 crore (subscribed ₹765 crore):

Trigger Date	Action Point
(T-30) th day*	Trustees to inform MTNL and the GoI in writing regarding the due date of the payment of interest and/or principal amount, so that the necessary arrangements can be made for meeting the interest payment or repayment of obligations on the instrument.
(T-10) th day*	The designated trust and retention account is to be funded by the GoI to the tune of the interest/principal obligations on the bonds.
(T-8) th day*	If the designated trust and retention account is not funded to the requisite extent by (T-8) th day as above, the trustees shall forthwith invoke the GoI guarantee by sending a Notice of Invocation to the GoI.
(T-1) st day*	The last date by which the GoI is to deposit the requisite funds in the designated trust and retention account as per the Notice of Invocation.

*T being the due date for payment of interest/repayment of principal. In the event of mentioned day not being a business day, it will be taken to indicate the next business day.

The following is the structured payment mechanism for the NCD issue of ₹3,000 crore (subscribed ₹2,980 crore):

Trigger Date	Action Point
(T-10) th day*	The trustee shall create and maintain a designated account and the same shall be funded adequately by MTNL, latest 10 days prior to the due date to the tune of the principal and/or accrued interest repayment obligation of the bonds. (T being the due date for payment/repayment of interest and/or principal). If the account of the trustee is not funded to the requisite extent by T-10 days, it shall constitute an Event of Default on the part of MTNL.
(T-8) th day*	In case the designated account is not funded by MTNL to the requisite extent latest by 8 days prior to the due date of payment/repayment of interest and/or principal amount, the trustee shall forthwith invoke the DoT, GoI guarantee by sending a Notice of Invocation of the guarantee to DoT, GoI.
(T-1) st day*	The DoT, GoI shall without demur, reservations and recourse at least 1 day before the due date, deposit or transfer the principal and/or accrued interest amount in the designated account as per the Notice of Invocation of guarantee by the trustee.

*T being the due date for payment of interest/repayment of principal. In the event of mentioned day not being a business day, it will be taken to indicate the next business day.

The following is the structured payment mechanism for the bond issue of ₹6,500 crore (fully subscribed):

Trigger Date	Action Point
(T-30) th day*	Trustees to inform MTNL and the GoI in writing regarding the due date of the payment of interest and/or principal amount, so that the necessary arrangements can be made for meeting the interest payment/principal repayment obligations on the bond.
(T-10) th day*	The designated trust and retention account is to be funded by MTNL to the tune of the interest/principal obligations on the bonds.
(T-8) th day*	If the designated trust and retention account is not funded to the requisite extent by (T-8) th day, the trustees shall forthwith invoke the GoI guarantee by sending a Notice of Invocation to the GoI.
(T-3) rd day*	The last date by which the GoI is to deposit the requisite funds in the designated trust and retention account as per the Notice of Invocation served by the trustees.

*T being the due date for payment of interest/repayment of principal. In the event of mentioned day not being a business day, it will be taken to indicate the next business day.

The following is the structured payment mechanism for the proposed bond issue of ₹10,910 crore:

Trigger Date	Action Point
(T-30) th day*	Trustees to inform MTNL and the GoI in writing regarding the due date for payment of interest amount, so

Trigger Date	Action Point
	that the necessary arrangements can be made for meeting the interest payment obligations on the bonds.
(T-10) th day*	The designated trust and retention account is to be funded by MTNL to the tune of the interest obligations on the bonds.
(T-8) th day*	If the designated trust and retention account is not funded to the requisite extent by (T1-8) th day, the trustees shall forthwith invoke the GoI guarantee by sending a Notice of Invocation to the GoI.
(T-3) th day*	The last date by which the GoI shall deposit the requisite funds in the designated trust and retention account as per the Notice of Invocation served by the trustees.

*T being the due date for payment of interest/repayment of principal. In the event of mentioned day not being a business day, it will be taken to indicate the next business day.

Support from the GoI: Keeping in mind the legacy as well as the strategic importance of MTNL, the GoI, in October 2019, announced the revival plan for MTNL and BSNL and had meanwhile, continued to support the company's funding requirements through the issuance of the LoC. Certain identified land assets of MTNL are also expected to be monetised in order to maximise the returns and support in reducing the debt levels.

Furthermore, to make the public sector units (PSUs) financially viable, the Union Cabinet approved the second revival plan for BSNL and MTNL (the telcos) amounting to ₹1.64 lakh crore on July 27, 2022. The revival plan is aimed at upgrading services, rolling out 4G services, augmenting the telecom network, and de-stressing the balance sheets.

The following are the schemes approved by the Union Cabinet for the telcos:

- **Allotment of spectrum administratively:** The telcos will be allotted a spectrum administratively in the 900/1,800 MHz band (renewal of spectrum for 20 years) amounting to ₹44,993 crore through equity infusion. However, there have been delays in the rollout of 4G services due to 4G import restrictions (as per the GoI's 'Atmanirbhar' scheme).
- **Financial support for capex:** To meet the projected capex for the next four years of deploying Atmanirbhar 4G technology stack, the GoI will fund a capex of ₹22,471 crore. The same will be infused through equity into BSNL and includes the projected capex requirements of ₹1,851 crore for MTNL as well.
- **Viability gap funding (VGF):** A consideration of ₹13,789 crore for commercially unviable rural wire-line operations done during FY14 to FY20 will be provided by the GoI in three tranches, the first of which was expected by September 2022. The proceeds from the same will be utilised for the prepayment of high-cost debt.
- **Debt structuring:** Sovereign guarantee is to be provided for raising long-term bonds amounting to ₹40,399 crore, which will be utilised for restructuring high-cost debt.
- **Financial support for AGR dues:** AGR dues amounting to ₹33,404 crore to be settled by conversion into equity.
- **Merger of Bharat Broadband Network Limited (BBNL) and BSNL:** The two companies will be merged to facilitate wider utilisation of the infrastructure.
- **Re-issue of preference shares:** BSNL will re-issue preference shares of ₹7,500 crore to the GoI.

Key rating weaknesses

Higher-than-industry average human resource cost: MTNL has a large employee base and the staff costs absorb a high percentage of the revenue of the company. MTNL's staff cost was about ₹555 crore in FY22 (PY: ₹413 crore), which is around 52% of its revenue from the operations in FY22 (around 32% in FY21). Although there has been a significant decrease in the employee costs post the successful implementation of the VRS, the same continues to remain more than 5x the industry average. Overstaffing is a major risk faced by the company and this cost in case of other operators is around 5%-7% of the total operating income (TOI). The same is on account of the legacy issues, which are likely to remain going forward.

Highly competitive nature of the industry, albeit favourable industry outlook: The Indian telecom sector is the second-largest in the world, in terms of the number of subscribers. The sector has witnessed exponential growth over the past few years due to various factors, including affordable tariffs, wider service availability, the rollout of new technology, etc. The average data consumption per subscriber per month has increased rapidly during the past few years and the same stood at 15.80 GB for Q4FY22, backed by the consumers' digital shift post the COVID-19 pandemic.

During September 2021, the GoI announced major reforms for the telecom sector to address the liquidity issue of telecom service providers (TSPs), encourage investment, and promote healthy competition in the industry. Furthermore, the industry undertook tariff hikes of up to 25% post the telecom reforms to improve cash flows and provide additional liquidity for capex plans. Additionally, the 5G spectrum auction concluded on August 01, 2022, fetching over ₹1.50 trillion, making it a success.

As per [CARE Ratings' reports](#), considering the large quantum of investments required in the next two to three years for the rollout of 5G, the TSPs are likely to witness an increase in the leverage levels, with the aggregate debt levels for the major TSPs

to touch an estimated ₹6.20 trillion by March 2023. Going forward, the prospects of growth for the Indian telecom industry are healthy, with the telecom operators upgrading and expanding their network to meet the demand for rising data growth with the evolution of new revenue streams.

Liquidity: Adequate

The liquidity profile is adequate and supported by the GoI. The additional bank lines through the bridge loan has funded the cash flow mismatches and regularised the debt servicing obligations. The unavailed bridge loan balances adequately cover the entire debt servicing obligation due up to December 2022. Thereafter, the proposed bond issuance, backed by sovereign guarantee, is expected to provide the required liquidity for debt servicing for the remaining part of FY23 and FY24. Going forward, the timely fructification of the sovereign debt issuance plans is a precursor for improvement of MTNL's liquidity profile.

Analytical approach

Sovereign guaranteed bonds/NCDs: Credit enhancement in the form of an unconditional and irrevocable guarantee from the GoI, through the DoT, MoC, operating through a trustee-administered structured payment mechanism for the timely transfer of the required funds for repayment of principal and interest to a designated account. The ratings also factor in the GoI's majority stake (56.25% of the equity) in MTNL.

Bank facilities: Standalone, and factoring in the majority ownership of the GoI. The analytical approach for the bank facilities was earlier based on the credit enhancement in the form of a LoC issued by the DoT, GoI. However, due to uncertainty of the renewal/extension in validity of the LoC, the analytical approach has been revised.

Unsupported ratings: Standalone and factoring in the majority ownership of the GoI.

Applicable criteria

[Policy on default recognition](#)

[Factoring linkages government support](#)

[Financial ratios – Non-financial sector](#)

[Liquidity analysis of non-financial sector entities](#)

[Rating credit-enhanced debt](#)

[Rating outlook and credit watch](#)

[Short-term instruments](#)

[Mobile service provider](#)

About the company

MTNL was incorporated by the GoI in 1986 with the aim of upgrading the quality of telecom services, expanding the telecom network, and introducing new services for India's key metros, Delhi and Mumbai. MTNL was given the 'Navratna' status in 1997 and was listed on the New York Stock Exchange in 2001. MTNL provides a host of telecom services that include fixed telephone service, GSM, Internet, Broadband, ISDN, and leased line services. MTNL has been the first to launch some of the latest telecom technologies like ADSL2+ & VDSL2 in broadband, IPTV on MPEG4 technology, VOIP and 3G mobile service in the country. MTNL also provides telecommunication services beyond Indian boundaries through its joint ventures (JV) and subsidiaries. MTNL is present in Nepal through its JV, United Telecom Limited (UTL), and in Mauritius through its 100% subsidiary, Mahanagar Telephone Mauritius Limited (MTML). However, after obtaining unified license for all 22 circles in India, the business operations of MTNL is being handled by BSNL as its outsourced agency, since September 01, 2021. BSNL's major focus will be to expand the 4G network with new equipment and introduce competitive tariff and marketing plans to attract customers. As on August 31, 2022, MTNL had a total subscriber base of 5.38 million, consisting of 2.78 million wireless subscribers (0.24% market share) and 2.60 million wireline subscribers (10.02% market share).

Brief Financials (₹ crore)	FY21 (A)	FY22 (A)	Q1FY23 (UA)
TOI	1,304	1,070	236
PBILDT	50	-331	-79
PAT	-2,462	-2,603	-650
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	0.02	NM	NM

A: Audited; NM: Not meaningful.

Note: The financials have been classified as per CARE Ratings' internal standards

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - ST-Bank overdraft	-	-	-	-	6374.00	CARE A4+
Non-fund-based - ST-BG/LC	-	-	-	-	78.00	CARE A4+
Term Loan-Long-term	-	-	-	December 31, 2028	9810.34	CARE BB+; Stable
Term Loan-Short-term	-	-	-	July 02, 2023	2983.00	CARE A4+
Term Loan-LT/ST	-	-	-	Proposed	2754.66	CARE BB+; Stable/CARE A4+
Debentures-Non-convertible debentures	INE153A08030	March 26, 2014	9.39%	March 26, 2024	765.00	CARE AAA (CE); Stable
Bonds	INE153A08014	March 28, 2013	8.57%	March 28, 2023	2,980.00	CARE AAA (CE); Stable
	INE153A08022	December 05, 2013	9.38%	December 05, 2023		
	INE153A08048	November 19, 2014	8.24%	November 19, 2024	3,768.97	CARE AAA (CE); Stable
	INE153A08055	November 19, 2014	8.28%	November 19, 2024		
	INE153A08063	November 19, 2014	8.24%	November 19, 2024		
Bonds	INE153A08071	November 28, 2014	8.29%	November 28, 2024	6,500.00	CARE AAA (CE); Stable
	INE153A08089	October 12, 2020	7.05%	October 11, 2030		
Bonds	INE153A08097	December 21, 2020	6.85%	December 20, 2030	10,910.00	CARE AAA (CE); Stable
	--	--	--	10 years from date of issuance		
Unsupported rating-Unsupported rating (LT/ST)	-	-	-	-	0.00	CARE BB+

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non-convertible debentures	LT	2980.00	CARE AAA (CE); Stable	1)CARE AAA (CE); Stable (28-Oct-22) 2)CARE AAA (CE); Stable (02-Sep-22)	1)CARE AAA (CE); Stable (07-Oct-21)	1)CARE AAA (CE); Stable (08-Jan-21) 2)CARE AAA (CE); Stable (03-Apr-20)	-
2	Debentures-Non-convertible debentures	LT	765.00	CARE AAA (CE); Stable	1)CARE AAA (CE); Stable (28-Oct-22) 2)CARE AAA	1)CARE AAA (CE); Stable (07-Oct-21)	1)CARE AAA (CE); Stable (08-Jan-21) 2)CARE AAA	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
					(CE); Stable (02-Sep-22)		(CE); Stable (03-Apr-20)	
3	Bonds	LT	3768.97	CARE AAA (CE); Stable	1)CARE AAA (CE); Stable (28-Oct-22) 2)CARE AAA (CE); Stable (02-Sep-22)	1)CARE AAA (CE); Stable (07-Oct-21)	1)CARE AAA (CE); Stable (08-Jan-21) 2)CARE AAA (CE); Stable (03-Apr-20)	-
4	Fund-based - LT-Term loan	-	-	-	-	-	-	-
5	Fund-based - LT-Bank overdraft	-	-	-	-	-	-	-
6	Fund-based - ST-Term loan	-	-	-	-	-	-	-
7	Fund-based - LT-Term loan	-	-	-	-	-	-	-
8	Term loan-Long term	LT	9810.34	CARE BB+; Stable	1)CARE BB+; Stable (28-Oct-22) 2)CARE D (02-Sep-22)	1)CARE AA+ (CE); Stable (07-Oct-21)	1)CARE AA+ (CE); Stable (08-Jan-21) 2)CARE AA+ (CE); Stable (03-Apr-20)	1)CARE AA+ (CE); Stable (25-Dec-19)
9	Term loan-Short term	ST	2983.00	CARE A4+	1)CARE A4+ (28-Oct-22) 2)CARE D (02-Sep-22)	1)CARE A1+ (CE) (07-Oct-21)	1)CARE A1+ (CE) (08-Jan-21) 2)CARE A1+ (CE) (03-Apr-20)	1)CARE A1+ (CE) (25-Dec-19)
10	Fund-based - ST-Bank overdraft	ST	6374.00	CARE A4+	1)CARE A4+ (28-Oct-22) 2)CARE D (02-Sep-22)	1)CARE A1+ (CE) (07-Oct-21)	1)CARE A1+ (CE) (08-Jan-21) 2)CARE A1+ (CE) (03-Apr-20)	1)CARE A1+ (CE) (25-Dec-19)
11	Term loan-LT/ST	LT/ST*	2754.66	CARE BB+; Stable / CARE A4+	1)CARE BB+; Stable / CARE A4+ (28-Oct-22) 2)CARE D (02-Sep-22)	1)CARE AA+ (CE); Stable / CARE A1+ (CE) (07-Oct-21)	1)CARE AA+ (CE); Stable / CARE A1+ (CE) (08-Jan-21) 2)CARE AA+ (CE); Stable / CARE A1+ (CE) (03-Apr-20)	1)CARE AA+ (CE); Stable / CARE A1+ (CE) (25-Dec-19)
12	Unsupported rating-Unsupported rating (Long term)	LT	0.00	CARE BB+	1)CARE BB+ / CARE A4+ (28-Oct-22) 2)CARE D (02-Sep-22)	1)CARE BBB / CARE A3 (07-Oct-21)	1)CARE BBB / CARE A3 (08-Jan-21) 2)CARE BBB; Stable / CARE A3 (03-Apr-20)	1)CARE BBB; Stable / CARE A3 (25-Dec-19)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
13	Bonds	LT	6500.00	CARE AAA (CE); Stable	1)CARE AAA (CE); Stable (28-Oct-22) 2)CARE AAA (CE); Stable (02-Sep-22)	1)CARE AAA (CE); Stable (07-Oct-21)	1)CARE AAA (CE); Stable (08-Jan-21) 2)CARE AAA (CE); Stable (25-Sep-20)	-
14	Non-fund-based - ST-BG/LC	ST	78.00	CARE A4+	1)CARE A4+ (28-Oct-22) 2)CARE D (02-Sep-22)	1)CARE A1+ (CE) (07-Oct-21)	1)CARE A1+ (CE) (08-Jan-21)	-
15	Bonds	LT	10910.00	CARE AAA (CE); Stable	-	-	-	-

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Not applicable

Annexure-4: Complexity level of the various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1.	Bonds	Simple
2.	Debentures-Non-convertible debentures	Simple
3.	Fund-based - ST-Bank overdraft	Simple
4.	Non-fund-based - ST-BG/LC	Simple
5.	Term loan-Long term	Simple
6.	Term loan-LT/ST	Simple
7.	Term loan-Short term	Simple
8.	Unsupported rating-Unsupported rating (Long term)	Simple

Annexure-5: Bank lender details for MTNL

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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please visit www.careedge.in**

Ms. Yojana Das
Director (Finance)
Mahanagar Telephone Nigam Limited
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New Delhi-110003

November 01, 2022

Dear Madam,

Re: Rating Letter for NCD of Mahanagar Telephone Nigam Limited

India Ratings and Research (Ind-Ra) has assigned Mahanagar Telephone Nigam Limited's (MTNL) proposed non-convertible debentures (NCDs) a rating of 'IND AAA(CE)' and an unsupported rating of 'IND B-', both with a Stable Outlook. The detailed rating actions are as follows:

Instrument Type	Size of Issue (billion)	Rating/Outlook	Rating Action
Proposed NCDs*	INR109.1	IND AAA(CE)/Stable	Assigned
Unsupported rating^	-	IND B-/Stable	Assigned

* Yet to be placed

^Ind-Ra has assigned the unsupported rating in compliance with the Securities and Exchange Board of India's circular dated 13 June 2019, which requires credit rating agencies to disclose unsupported rating without factoring in the explicit credit enhancement (CE) and supported rating after factoring in the explicit CE.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its

criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

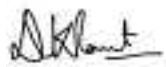
Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Dr Devendra Pant
Senior Director



Login

India Ratings Assigns Mahanagar Telephone Nigam's Proposed NCDs 'IND AAA(CE)'/Stable

Nov 01, 2022 | Telecom

India Ratings and Research (Ind-Ra) has assigned Mahanagar Telephone Nigam Limited's (MTNL) proposed non-convertible debentures (NCDs) a rating of 'IND AAA(CE)' and an unsupported rating of 'IND B-', both with a Stable Outlook. The detailed rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Proposed NCDs*	-	-	-	INR109.1	IND AAA(CE)/Stable	Assigned
Unsupported rating^	-	-	-	-	IND B-/Stable	Assigned

* Yet to be placed

^Ind-Ra has assigned the unsupported rating in compliance with the Securities and Exchange Board of India's circular dated 13 June 2019, which requires credit rating agencies to disclose unsupported rating without factoring in the explicit credit enhancement (CE) and supported rating after factoring in the explicit CE.

Key Rating Drivers

NCD Rating Underpinned by GoI Guarantee: The rating reflects the absolute, unconditional and irrevocable pre-default guarantee extended by the government of India (GoI) for the timely repayment of principal and interest on the rated NCDs. It is a continuing guarantee and shall remain in force and effect until the full tenure of NCDs. A designated trust & retention account shall be opened into which all payments pertaining to the servicing of bonds will be deposited. The account is operated through a trustee-monitored payment mechanism to ensure servicing of the bond obligations on-or-before the payment due date. A tri-patriate guarantee agreement has been signed between the Department of Telecommunications (on behalf of the President of India), debenture trustee (Beacon Trusteeship Ltd) and MTNL, wherein the GoI has to obtain all consents, approvals and permissions as are necessary for the enforceability of the

agreement.

Liquidity Indicator – Adequate; Supported by Strong Parentage: Ind-Ra believes MTNL's liquidity for the proposed NCDs is supported by the trustee-monitored pre-default payment mechanism. According to the tri-patriate guarantee agreement, the liability of bond constitutes a direct and general obligation of the GoI.

Historically, MTNL's cash flows have not been adequate to support its debt servicing. On a consolidated basis, MTNL had moderate cash levels (INR1.4 billion) and almost fully utilised fund-based bank lines as on 31 March 2022.

However, it has been using the financial support received from the GoI by way of either sovereign guarantee or letters of comfort (LoC) to raise debt. Moreover, Ind-Ra expects the bridge loan of INR20 billion raised during FY23 by the company to provide interim liquidity cushion, although it is required to be repaid from the proposed bonds issuances. Liquidity will be supported by the company's proposed bond issuances of INR176 billion over FY23 and FY24 and the likely repayment of the already guaranteed bonds and the bank debt from these issuances. After the repayment envisaged from the proposed bonds, the unguaranteed proportion of debt (backed/ not backed by LoC) will reduce materially after FY24. The agency expects asset monetisation and/or support from the government to further support the liquidity position.

Strong Linkages with GoI: The GoI directly owns 56.25% of MTNL, and the latter's total debt as on 31 March 2022 was secured either through a pre-default guarantee structure by the former or backed by LoC issued by the Department of Telecommunications. Also, the GoI through Administrative Ministry appoints all the board of directors and key management personnel of MTNL. MTNL was set up by the GoI to provide telecommunication services in Delhi and Mumbai. Over the years, the GoI has been providing various kinds of financial and non-financial support to MTNL, which is factored into the ratings. However, the company has been classified as 'incipient Sick CPSE' by the GoI.

Revival Plan of MTNL: In July 2022, the union cabinet approved a revival plan for MTNL to make the company financially viable. A few measures are as follows:

1. Raise long-term bonds of INR176 billion backed by a sovereign guarantee for the repayment of debt.
2. A committee of secretaries is formed to recommend the way forward for the merger of Bharat Sanchar Nigam Limited (BSNL) and MTNL. The GoI would provide support of INR16 billion.
3. Sanctioning capex of INR225 billion for three years through equity infusions in BSNL, which includes capital expenditure of INR19 billion for MTNL as well

Moderate Market Positioning: MTNL caters to a wide range of customers through its offerings which can be broadly divided into fixed telephone line, enterprise business and mobile business. According to the Telecom Regulatory Authority of India, MTNL has a total wireline subscriber base of 2.6 million spread across Delhi and Mumbai, with a market share of 31% in Delhi in August 2022 (33% in March 2022) and 42% in Mumbai (45% in March 2022). MTNL's wirelines subscriber base and market share have been coming down over FY15-FY22 as competition from 4G wireless technology has intensified. MTNL has a rather small wireless subscriber base of 2.8 million in August 2022 (3.2 million in March 2022).

Weak Financial Profile: MTNL's total revenue decreased further in FY22 to INR11.5 billion (FY21: INR13.9 billion; FY20: INR16.2 billion), primarily due to a decrease in the subscriber base. Owing to continued operating losses over the few years (FY22: loss of INR3.2 billion; FY21: profit of INR0.6 billion; FY20: loss of INR14.6 billion), MTNL's debt service coverage ratios have been weak. Additionally, there has been an increase in the gross debt to INR268.2 billion at end-FY22 (end-FY19: INR197.4 billion). EBITDA and gross debt numbers are as per Ind-Ra's calculations.

Delays in Debt Servicing: MTNL announced that it has defaulted in making interest payments pertaining to one of its term loans which was due on 31 July 2022. The same was due to a temporary cash flow mismatch as confirmed by the management and the outstanding interest payment was made on 9 September 2022. Such timing mismatch implies the

weak internal financial control of MTNL. The liquidity situation is likely to improve post MTNL's issuance of INR109.1 billion of GoI-guaranteed bond in FY23, proceeds of which would be used to repay the debt.

Competitive, Technological and Regulatory Risk: The domestic telecom landscape has remained extremely competitive and dynamic. After witnessing a significant erosion over FY17-FY19, industry-wide average revenue per user showed some recovery from FY20. Incumbents are likely to protect any major subscriber loss by offering attractive tariffs and better services. The industry has seen frequent changes in technologies as well as regulatory policies, which may make some of the investments redundant. Ind-Ra will continue to monitor the regulatory and technological landscape in the Indian telecom industry.

Rating Sensitivities

For CE Rating:

Negative: Non-adherence to the trustee-monitored structure payment mechanism by any of the parties involved in the transaction.

For Unsupported Rating:

Positive: Developments that could, individually or collectively, lead to a positive rating action include:

- strengthening of MTNL's linkages with the GoI
- better-than-expected improvement in the credit metrics, including debt service coverage ratio

Negative: Weaker-than-expected operational profitability or higher-than-expected capital expenditure or lower-than-expected financial support from the GoI leading to weak credit metrics could lead to a negative rating action.

ESG Issues

ESG Factors Relevant to Rating: Internal financial control under the governance has relevance to and large impact on MTNL's credit rating. MTNL's auditors have provided a qualified opinion on its internal financial control. Also, MTNL defaulted on its loan servicing during September 2022.

Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on MTNL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

MTNL was incorporated by the GoI in 1986 with the aim of upgrading the quality of telecom services, expanding the telecom network and introducing new services for India's key metros, Delhi and Mumbai. MTNL's operations span across various telecom services including fixed telephone line, Broadband, GSM, Internet, ISDN and leased line services.

FINANCIAL SUMMARY

Particulars*	FY22	FY21
Operating revenue (INR billion)	11.5	13.9
EBITDA (INR billion)	-3.2	0.6

EBITDA margin (%)	-27.7	4.0
Interest expense (INR billion)	21.4	21.1
Gross debt (INR billion)	268.2	256.0
Source: Ind-Ra, MTNL *EBITDA and gross debt is as per Ind-Ra's calculations		

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Annexure

Annexure I: Payment Structure for Bonds

The following payment structure (wherein T is assumed to be the due date for interest and/or principal payments) is envisaged for meeting the obligations on the rated bonds.

Interest and/or Principal payment

Trigger Date	Action Point
(T-30)th day	The trustees to inform MTNL and the Gol in writing regarding the due date for payment of interest and/or principal amount so that the necessary arrangements could be made for meeting the interest and/or principal payment obligations on the bonds.
(T-10)th day	The designated trust and retention account is to be funded by MTNL to the tune of the interest and/or principal obligations on the bonds.
(T-8)th day	If the designated trust and retention account is not funded to the requisite extent by (T-8)th day, the trustees shall forthwith invoke the Gol guarantee by sending a notice of invocation to the Gol.
(T-3)th day	Last date by which the Gol shall deposit requisite funds in the designated trust and retention account as per the notice of invocation served by the trustees.

Annexure II: Covenants for Bonds

N/A

Complexity Level of Instruments

Instrument Type	Complexity Indicator
-----------------	----------------------

NCDs	Low
------	-----

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

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APPLICABLE CRITERIA

Evaluating Corporate Governance

Corporate Rating Methodology

DISCLAIMER

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

ANNEXURE – VIII

DEBENTURE TRUSTEE CONSENT AND DUE DELIGENCE CERTIFICATE

24461/CL/MUM/22-23/BT/177

Date: October 20, 2022

MAHANAGAR TELEPHONE NIGAM LIMITED

Room No. 4202,
4TH floor, Mahanagar Doorsanchar Sadan,
9 CGO Complex, Lodhi road,
New Delhi-110003, Delhi
India

Kind Attn: Sultan Ahmed

Sub: Consent Letter to act as Bond Trustee for Unsecured Listed Non-Convertible Debentures aggregating upto Rs. 10910.00 Crores

Dear Sir,

This is with reference to our discussion regarding appointment of Beacon Trusteeship Limited as Bond Trustee for Unsecured Listed Non-Convertible Debentures aggregating to Rs. 10910.00 Crores

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully
For Beacon Trusteeship Limited



Veena Nautiyal
Vice President
Mumbai,
Authorised Signatory

Accepted
For MAHANAGAR TELEPHONE NIGAM
LIMITED



एस. आर. स्वायल
S. R. SAYAL
कंपनी सचिव / Company Secretary
महानगर दूरसंचार नगरी / M.T.N.L. Corporate Office
महानगर दूरसंचार नगरी / Mahanagar Doorsanchar Sadan
9 लोधी रोड, नई दिल्ली-110003, New Delhi-3
Authorised Signatory

BEACON TRUSTEESHIP LTD.

Regd & Corporate Office : 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E),
Mumbai - 400051

CIN: U74999MH2015PLC271288

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

डिबेंचर न्यासी

प्रत्येक
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000270

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

BEACON TRUSTEESHIP LIMITED
4C & D, SIDDHIVINAYAK CHAMBERS,
GANDHI NAGAR, OPP. MIG CRICKET CLUB,
BANDRA EAST, MUMBAI - 400051
MAHARASHTRA, INDIA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड
2) Registration Code for the debenture trustee is

IND000000569

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिवान्त है।
3) Unless renewed, the certificate of registration is valid from to

स्थान Place : Mumbai

तारीख Date : February 12, 2021



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

ANUPMA CHADHA

प्रधिकृत हस्ताक्षरकर्ता Authorised Signatory

DUE DILIGENCE CERTIFICATE - ANNEXURE A
(Pursuant to Regulation 44(3)(b) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2022)

Ref. No.: BTL/OPR/22-23/25602

Date: November 03, 2022

To,
BSE Limited
25th Floor, P. J. Towers,
Dalal Street,
Mumbai - 400001

Dear Sir /Madam,

SUB: ISSUE OF GOVERNMENT OF INDIA GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, AND TAXABLE BONDS IN THE NATURE OF DEBENTURES OF THE FACE VALUE OF INR 10 LAKH EACH AT PAR AGGREGATING TO INR 10,910 CR (SHELF LIMIT) IN ONE OR MORE TRANCHES BY MAHANAGAR TELEPHONE NIGAM LIMITED

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

WE CONFIRM that:

- a) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.
- b) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), in the offer document.
- c) Issuer has given an undertaking that debenture trust deed shall be executed before filing of listing application.

For Beacon Trusteeship Limited



Name: Jaydeep Bhattacharya
Designation: Executive Director

Place: Mumbai



BEACON TRUSTEESHIP LIMITED

Registered & Corporate Office: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai - 400 051.

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

CIN : U74999MH2015PLC271288

ANNEXURE – IX

GUARANTEE LETTER AND PRESIDENTIAL APPROVAL

No. 17-1/2022.SU.II
Government of India
Ministry of Communications
Department of Telecommunications

Sanchar Bhawan, New Delhi

Dated: 21.09.2022

OFFICE MEMORANDUM

Subject: Presidential Approval to raise long-term Sovereign Guarantee Bonds of Rs. 19,356 Cr (Rs. 8,446 Cr to BSNL and Rs. 10,910 Cr to MTNL) - regarding.

Sanction of the President of India is hereby conveyed to raise long-term Sovereign Guarantee Bonds of Rs. 19,356 Cr (Rs. 8,446 Cr to BSNL and Rs. 10,910 Cr to MTNL), subject to the term & condition contained in the Budget Division, Department of Economic Affairs OM.No. 12(21)-B(SD)/2022 dated 02.09.2022 (copy enclosed).

In addition BSNL/MTNL will ensure that proceeds from the proposed Sovereign Guarantees shall be utilized for the repayment of debts mentioned in Annexures 7 & 15 of the Cabinet Note.

This Issues with the concurrence of the Member (F) vide Note#26 dated 08.09.2022 and PSF Dy. No. 38/11/PSF/2022 dated 20.09.2022.


21-09-2022
(Dhirendra Verma)
Director (Project/MTNL)

To

1. The Chairman-cum-Managing Director
Bharat Sanchar Nigam Limited (BSNL)
New Delhi.
2. The Chairman-cum-Managing Director
Mahanagar Telephone Nigam Limited (MTNL)
New Delhi.

Copy to:

1. PS to Hon'ble MoC
2. PS to Hon'ble MoSG
3. Department of Economic Affairs, Ministry of Finance
4. PPS to Secretary (T)
5. PPS to Member (F)/Member (T)/AS (T)

F. No. 12(21)-B(SD)/2022
Government of India
Ministry of Finance
Department of Economic Affairs
Budget Division

Room No. 221-A, North Block,
 New Delhi, the 2nd September, 2022.

OFFICE MEMORANDUM

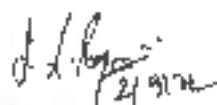
Subject: Sovereign Guarantee for issue of Long Term Bonds by BSNL and MTNL – reg.

The undersigned is directed to refer to Deptt. of Telecommunications' proposal submitted via Guarantee Portal seeking Govt. guarantee for ₹ 22,828 crore and ₹ 17,571 crore in respect of BSNL & MTNL respectively and to state that the proposal has been examined in the Budget Division, Department of Economic Affairs. It has been decided to provide Govt. guarantee of ₹ 19,356 crore, i.e. ₹ 8446 crore to BSNL and ₹ 10,910 crore to MTNL in order to raise Government Guaranteed bonds in the current FY i.e. 2022-2023 subject to the adherence of the following terms and conditions:

- i) The Government of India Guarantee would only cover the principal amount and the normal interest.
- ii) The guarantee shall not be transferable to any agency without the prior approval of Budget Division, Deptt. of Economic Affairs, Ministry of Finance.
- iii) Deptt. of Telecommunications (DoT) shall review proper utilisation of the guaranteed funds and will also review the guarantees annually to ensure that there is no risk of default in repayment of loans together with interest thereon as well as the guarantee fee payable to the Government of India. Any imminent default shall be immediately reported to Ministry of Finance (Budget Division).
- iv) Review of the Guarantee shall be ensured as provided under Rule 281 of GFRs 2017.
- v) The obligation of the borrower to service the loan and the guarantee, and the monitoring of the utilization of the guaranteed loan and adherence to the terms and conditions of the guarantee by the borrower shall be ensured by DoT through a back-to-back agreement with BSNL/MTNL which may be drawn up and

implemented to the satisfaction of the DoT. For this purpose, necessary records to monitor the guarantee, shall be maintained by DoT.

- vi) In case of default, the lending agency shall invoke the Guarantee within a time limit not exceeding 60 days of the default. In case the guarantee is not invoked within the stipulated period, the guarantee would cease to exist for that portion of the tranche/loan/liability for which guarantee has not been invoked.
 - vii) The Govt. guarantee shall reduce periodically equivalent to the repayment that ought to have been made by the borrower as per terms and conditions of loan agreement. This will be subject to condition (vi) above.
 - viii) Though guarantee fee has been waived as per Cabinet approval, DoT is required to show notional entry of guarantee fee in respect of BSNL/MTNL as a book adjustment in its SBE. As per Government Guarantee Policy 2022, applicable guarantee fee in the instant proposal is 0.9%. DoT may, therefore, calculate guarantee fee on the guaranteed amount of ₹ 19,356 crore in the current FY 2022-2023 on pro-rata basis and make a notional entry for the same in SBE. In subsequent years, guarantee fee may be calculated on the outstanding guaranteed amount (principal & normal interest) as on 1st April and notional entry shall be done. DoT may also find equivalent savings for waiver of guarantee fee in its demand.
 - ix) DoT is advised that while approaching DEA for guarantee for the loans to be raised in FY 2023-2024 and in FY 2024-2025 as per the Cabinet approval, they shall report the progress in the land and asset monetisation of BSNL/MTNL. DoT may closely periodically monitor the assurances made in the Cabinet Note on the revival plan.
2. This issues with the approval of competent authority.


(S. R. Raja)

Under Secretary to the Govt. of India
Tele/email: 23094966/raja.sr@nic.in

Member (Finance)
Department of Telecommunications
Sanchar Bhawan, New Delhi.

ANNEXURE – X

REGISTRAR

AND TRANSFER

AGENT

CONSENT

REF: - BTL/MD/BONDS/521/MTNL

07.09.2022

The Company Secretary
Mahanagar Telephone Nigam Limited
Mahanagar Doorsanchar Sada,
5th Floor, 9 CGO Complex, Lodhi Road,
New Delhi-110003

Sir,

Subject: Proposal to act as Registrar & Transfer Agents for the Proposed issue of Bonds in the nature of Debentures (NCDs) Aggregating Rs.10,910 Cr. by MTNL :-

This has reference to the discussion with you regarding above captioned subject. We herewith enclose our revised quotation to act as Registrar & Transfer Agent (RTA) for your esteemed organization for the above assignments.

Further, in case you have any query in this regard please feel free to contact undersigned.

We assure you of our best efficient professional services.

Thanking you,
For **BEETAL**
Financial & Computer Services Pvt. Ltd.



(Punit Mittal)
General Manager
9810276579

Encl.: - a. a.

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.

BEETAL HOUSE, 3rd Floor,
99 Madangir, Behind USC, New Delhi - 110062

T : 011-2996 1281-83
F : 011-2996 1284

beetal@beetalfinancial.com
www.beetalfinancial.com

Registrars & Share Transfer Agent

SEBI Registration Code : INR 000000262

ANNEXURE – XI

TRI PARTITE AGREEMENT



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

₹500

e-Stamp

Certificate No. : IN-DL06147635018945U
 Certificate Issued Date : 27-Oct-2022 03:35 PM
 Account Reference : IMPACC (IV)/ d942203/ DELHI/ DL-DLH
 Unique Doc. Reference : SUBIN-DL06147635018945U
 Purchased by : Mahanagar Telephone Nigam Limited
 Description of Document : Article 5 General Agreement
 Property Description : Not Applicable
 Consideration Price (Rs.) : 0
 (Zero)
 First Party : Mahanagar Telephone Nigam Limited
 Second Party : BEACON TRUSTEESHIP LIMITED AND OTHERS
 Stamp Duty Paid By : Mahanagar Telephone Nigam Limited
 Stamp Duty Amount(Rs.) : 500
 (Five Hundred only)

₹500/50025002500

सत्यमेव जयते

₹500



Please write or type below this line

This Stamp paper forms an integral part of
 Guarantee Agreement dated 27th October, 2022.

Signature

(प्रेमजी लाल)
 (PREMJIT LAL)

उप निदेशक (व.प.)
 Dy. Director General (PM)
 संचार विभाग, भारत सरकार
 Dept. of Telecom, Govt. of India
 नई दिल्ली/New Delhi



सुल्तान अहमद / SULTAN AHMED

सहायक निदेशक (वित्त) / General Manager (Finance)
 नेशनल सिंगल प्रॉपर्टीज / M.T.S.L. Corporate Office
 बालागढ़ इलाका मंडल / Mahanagar Doorsandhar Sadak
 9, सी.ओ.डी. कॉम्प्लेक्स, लोदी रोड, नई दिल्ली-110003
 9 C.O.D. Complex, Lodhi Road, New Delhi-110003

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at www.indiastamp.com or using e-Stamp Mobile App of India Holding.
2. Any discrepancy in the details on this Certificate and as available on the website / Mobile App should be reported immediately.
3. In case of any discrepancy please inform the Competent Authority.

GUARANTEE AGREEMENT

THIS DEED OF GUARANTEE (the "Deed") is made at New Delhi, on this 27th day of October, of the year Two Thousand and Twenty Two.

Among

THE PRESIDENT OF INDIA, on behalf of the GOVERNMENT OF INDIA and acting through DDG(PM), Department of Telecommunications, Ministry of Communications, Government of India, Sanchar Bhawan, 20, Ashoka Road, New Delhi-110001 (hereinafter referred to as "GOI", which expression shall, unless be repugnant to the subject or context thereof, includes his/her successor in office) of the First Part.

And

M/s BEACON TRUSTEESHIP LIMITED, a company registered under the Companies Act, 2013, having its registered office at 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East) Mumbai - 400051, Maharashtra, India Tel.No. 022-26558759; E-mail: contact@beacontrustee.co.in (hereinafter referred to as the "Trustee", which expression shall, unless be repugnant to the subject or context thereof, include the Trustee(s) for the time being and their successors, assignees, transferees, novatees and assigns) of the Second Part.

And

MAHANAGAR TELEPHONE NIGAM LIMITED, incorporated as a Public Limited Company under the Companies Act, 1956 with corporate identification number L32101DL1986GOI23501 and having its Registered Office and Corporate Office at MAHANAGAR DOORSANCHAR SADAN, 9 CGO COMPLEX, LODHI ROAD, NEW DELHI - 110003 hereinafter referred to as (the "MTNL" and/or "Company", which expression shall, unless be repugnant to the subject or context thereof, include their successors, assignees, transferees, novatees and assigns) in its capacity as a "Confirming Party", of the Third Part.

WHEREAS:

1. MTNL for subscription on private placement basis 1,09,100 (One Lakh Nine Thousand and One Hundred only) number of Govt. of India Guaranteed, Unsecured, Rated, Listed, Redeemable, Non-Convertible, Taxable Bonds in the nature of Debentures of face value of Rs. 10,00,000/- (Rs. Ten lacs only) each for cash at par aggregating to Rs. 10,910 crores (Rs. Ten Thousand Nine Hundred Ten crores), which will be utilized for repayment of the principal and interest amount, against the corresponding amount as per details mentioned in **Annexure -III**.
2. The Trustee has agreed to act as a Trustee for the Holders of the Bonds on the condition that the Company shall approach GoI to issue an unconditional and irrevocable guarantee


(प्रेमजीत लाल)
(PREMJIT LAL)
उप महासचिव (डी.एम.)
Dr. Director General (PM)
संचार विभाग, भारत सरकार
Dept. of Telecom, Govt. of India
नई दिल्ली / New Delhi




सुल्तान अहमद / SULTAN AHMED
सुपरवाइजर (फाइनेंस) / General Manager (Finance)
महानगर दूरसंचार निगम / MTNL, Corporate Office
महानगर दूरसंचार निगम / Mahanagar Doorsanchar Sadan
१, सी.सी.ओ. कॉम्प्लेक्स, लोधी रोड, नई दिल्ली-110003
9 C.G.O. Complex, Lodhi Road, New Delhi-110003

in favour of the Trustee as security for the obligations of the MTNL to the Holders of the Bonds and the Trustee.

3. For the purpose of providing sufficient security to the Investors proposing to subscribe to the said Bonds about the ability of MTNL to service the said Bonds, the following course has been proposed to be undertaken:
 - a. GoI shall unconditionally and irrevocably guarantee the servicing of the 10 years bonds with Bullet repayment of principal at the end of 10 year period and repayment of normal interest over the period of ten years.
 - b. The above Guarantee given by the GoI shall not be transferable to any agency without the prior approval of Central Government i.e. Budget Division, DEA, MoF.
 - c. M/s BEACON TRUSTEESHIP LIMITED shall be the Trustee for the Bonds issued and upon request being made by the Trustees in accordance with this Agreement for invoking the guarantee offered; the GoI shall make available the requisite funds into the designated Trust and Retention account for servicing the Bonds and duly complying with the commitments undertaken thereunder.
 - d. The Information Memorandum to the extent not being in conflict with this Agreement shall form part of this Agreement.
4. In the circumstances recited above, the parties hereto are entering into and executing the present agreement with a view to provide for various matters and obligations to be undertaken by the parties to make funds available in the designated Trust and Retention accounts as may be required for servicing and redemption of the bonds.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES, COVENANT AND CONDITIONS HEREIN CONTAINED, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

I. DEFINITIONS

For the purpose of this Deed, the following expressions listed below shall have the meanings hereinafter mentioned, that is to say:

- i. "AGREEMENT" shall mean this written Agreement including the Annexures annexed hereto and made part thereof.
- ii. "ADEQUATE FUNDS" means the amount of monies required for payment of principal amount of the Bonds issued by the Company, accrued Interest thereon and any other amount due towards the Holders of the Bonds on each of the due dates.
- iii. "APPROPRIATE AUTHORITY" shall mean appropriate official of GoI, being the DDG(PM) of the Department of Telecommunications, Ministry of Communications, Government of India, or failing him, any person duly authorized by GoI or in case of re-designation, such other re-designated person or such other official as designated by Competent Authority. --
- iv. "BANK" means Bank of India.

PM
(विप्रेमजी लाल)
(PREMJIT LAL)
ज्य. निदेशक (व.प.)
ज्य. निदेशक (व.प.)
ज्य. निदेशक (व.प.)
Dept. of Telecom, Govt. of India
नई दिल्ली / New Delhi



SAH
सुल्तान अहमद / SULTAN AHMED
महाप्रबन्धक (वित्त) / General Manager (Finance)
महाप्रबन्धक (वित्त) / General Manager (Finance)
महाप्रबन्धक (वित्त) / General Manager (Finance)
9, C.D.O. Complex, Lodi Road, New Delhi-110003

- v. **"BONDS"** shall mean 1,09,100 (One Lakh Nine Thousand and One Hundred only) number of Government of India Guaranteed, Unsecured, Rated, Redeemable, Listed, Non-Convertible, Taxable Bonds in the nature of Debentures of the face value of Rs 10 lakhs each for cash at par of the aggregate nominal value of up to Rs 10,910 Crores (Rupees Ten Thousand Nine Hundred Ten Crores only) issued by the MTNL on a private placement basis in one or more tranches during the financial year 2022-23.
- vi. **"BOND HOLDER(S)"** or **"Holders of the Bonds"** shall mean the several person(s)/entity(ies) who are holders(s) of the Bond(s) for the time being, who hold the Bonds in physical form and whose names have been entered in the Register of Bond Holders maintained by the MTNL or who hold the Bonds in Electronic (Dematerialized) Form, whose names appear in the list of Beneficial owner(s) given/held by the Depositories viz. NSDL or CDSL as the case may be.
- vii. **"DUE DATE"** shall mean any or all dates during the term of the Bonds on which any payment of Principal and/or Interest in relation to the Bonds falls due for payment by the MTNL to the Bond Holders and/or to the Trustees under this Agreement and/or the Disclosure Document and/or the Trustee Agreement or other Agreements entered/to be entered into in pursuance thereof.
- viii. **"DESIGNATED TRUST AND RETENTION ACCOUNT "** shall mean the no lien account opened/to be opened by the MTNL with the Bank for the specific purpose mentioned herein.
- ix. **"DEFAULT"** shall mean failure to make Adequate Funds available for the Designated Trust & Retention Account at least 8 (Eight) days prior to each of the Due Dates for repayment of Principal and 8 (Eight) days before each of the Due Dates for payment of Interest. The payment mechanism for repayment of Principal and Interest has been set out in the **Annexure II**.
- x. **"GUARANTEE"** or **"GOVERNMENT GUARANTEE"** shall mean unconditional and irrevocable guarantee and continuing obligation for payment of principal amount of the Bonds issued by the Company, accrued Interest thereon and any other amount due towards the Bond Holders agreed to be guaranteed by the GOI in favour of the Trustees vide orders bearing F. no. 12(21)-B(SD)/2022 dated 02.09.2022[d1] [d2] (**Annexure I**) in terms of this Agreement.
- xi. **"NOTICE OF INVOCATION"** shall mean the Notice to be issued by the Trustee to GOI requiring GOI to fund the Designated Trust & Retention Account, at least 3 days before the Due Date pursuant to the provisions of this Agreement.
- xii. **"Offer Document/Disclosure Document"** shall mean the **"Information Memorandum"** for Private Placement of Bonds issued/to be issued by the MTNL in conformity with extant SEBI guidelines and other document(s) for inviting subscription to the Bonds.
- xiii. **"OUTSTANDING"** from time to time shall mean, the actual aggregate outstanding towards the Principal and Interest accrued in relation to the Bonds being due and payable to the Bondholder(s).
- xiv. **"PRINCIPAL"** means the principal amount of the Bonds.
- xv. **"TRUSTEES"** shall mean the Trustees for the Bondholders and shall in the first instance mean **M/s BEACON TRUSTEESHIP LIMITED** and in the event of any change or

(प्रेमजीत लाल)
 (PREMJIT LAL)
 जय महामोक्ष (डी.एम.)
 Dy. Director General (PM)
 इन्फार्मेशन रिज, भारत सरकार
 Dept. of Telecom, Govt. of India
 नई दिल्ली / New Delhi




 सुल्तान अहमद / SULTAN AHMED
 वरिष्ठ प्रबंधक (वित्त) / General Manager (Finance)
 गैर नि. नि. विभाग वरिष्ठ प्रबंधक / M.T.N.L., Consulting Office
 कानपुर प्रशासन सदन / Kanpur: Doodhghat Sada
 ३, पी.डी.सी. कॉम्प्लेक्स, लोह रोड, नई दिल्ली-110033
 ३ C.O.O. Complex, Loh Road, New Delhi-110033

substitution of Trustees, such Trustees as approved by the Bondholders, shall mean such substituted Trustees who shall be appointed with prior approval of the Bondholders.

- xvi. **"INTEREST"** shall mean the interest at the coupon rate as set out in the Disclosure Document for issue of Bonds. The first Interest payment shall be made half year after the Issue Date and the subsequent Interest payments shall be made half yearly thereafter;
- xvii. **"TRUSTEE AGREEMENT"** shall mean the Agreement to be entered into, between the Trustee and the MTNL.
- xviii. **"GUARANTOR'S PAYMENT DATE"** shall mean a date not later than at least Three days prior to Due Date, as set out in **Annexure II**.
- xix. **"ISSUE DATE"** shall mean [date] i.e. the date on which Bonds are allotted.
- xx. **"TRANSACTION DOCUMENTS"** shall mean and include this Agreement, the Disclosure Document, the Trustee Agreement or any other Agreements entered into in relation to the issuance of the Bonds.
- xxi. **"Coupon Payment Date"** shall mean [date] i.e. the date on which coupon will be paid.
- xxii. **"Redemption Date"** means shall mean [date] i.e. date on which Principal will be repaid.

1-B INTERPRETATIONS

Capitalised terms used but not defined in this Agreement shall have the respective meaning ascribed to them in the Information Memorandum or the Trustee Agreement or Debenture Trust Deed as the case may be. The principles of construction set forth in the Trustee Agreement and Debenture Trust Deed, shall apply to this Agreement as if expressly set out in full herein with each reference to "this Agreement" therein being, deemed to be reference to this Agreement.

1.1 Words denoting singular number only shall include plural number and vice-versa. Words denoting one gender only shall include the other gender. Words denoting persons only shall include companies and bodies corporate.

1.2 All references in these presents to any provisions of any statute shall be deemed also to refer to the Statute, modification or re-enactment thereof or any Statutory Rule, Order or Regulation made thereunder or under such re-enactment.

1.3 All references in these presents to Annexures, Schedules, Clauses, Sub-clauses, Paragraphs or Sub-paragraphs shall be construed as reference respectively to the Annexures, Schedules, Clauses, Sub-clauses, Paragraphs and Sub-paragraphs of these presents.

2. GOI'S REPRESENTATIONS AND WARRANTIES:

GOI represents and warrants that:


(प्रेमजीत लाल)
(PREMJIT LAL)
उप निदेशक (वित्त)
Off. Director General (PM)
सूचना विभाग, भारत सरकार
Dept. of Telecom, Govt. of India
नई दिल्ली/New Delhi




सुल्तान अहमद / SULTAN AHMED
मानवसम्पदा विभाग / General Manager (Finance)
बटु विभाग, सूचना विभाग / M.T.N.L., Corporate Office
मानवसम्पदा विभाग / Human Resource Department
B. सी.डी.ओ. बंगला, 2-2, 23, 42, दिल्ली-110003
3 C.O.O. GURJAN LAL, New Delhi-110003

- 2.1 GOI has obtained all consents, approvals and permissions as are necessary for or in connection with the execution, performance, validity and enforceability of this Agreement.
- 2.2 GOI has full power to execute, deliver and enter into this Agreement and to perform the obligations expressed to be assumed by it herein.
- 2.3 This Agreement constitutes a direct and general obligation of the GOI as contained herein.
- 2.4 The liability of GOI under this agreement shall be limited to bullet repayment of principal at the end of 10 years and normal interest thereon.
- 2.5 The Guarantee given by the GOI shall not be transferable to any agency without the prior approval of Central Government i.e. Budget Division, DEA, MoF.
- 2.6 The liability of GOI under this Agreement shall not be affected nor shall the Guarantee be discharged or diminished by reason of:
 - i. any renewal, variation, modification of the terms of the Bonds between the MTNL and the Trustees and/or Bondholders, provided, however, the prior written concurrence or consent of GOI shall always be obtained for any variation, alteration or modification of the terms and conditions of the Bonds which shall result in change in the redemption period and interest rate of the Bonds and/or result in enhancement of liability or guarantee obligations of GOI.
 - ii. the granting of time or any indulgence to the MTNL by the Trustees and/or Bondholders; and/or
 - iii. any forbearance by the Trustees to sue the MTNL or to defer the recovery of the servicing of Bonds from the MTNL; and/or
 - iv. any litigation/ legal process/dispute/arbitration proceedings or claims of any nature between the MTNL and the Trustee and/or the Bondholders, their Agents, Servants or any persons acting on their behalf.

3. GOI's CONFIRMATIONS:

GOI agrees, declares, and confirms that during the subsistence of the Bonds and the Trustee Agreement and Debenture Trust Deed-

- 3.1 Upon receipt of Notice of Invocation from the Trustees as stated in Clause 4.4 herein below, GOI shall, at least 3 day prior to the Due Date, transfer into the "**Designated Trust & Retention Account**", Adequate Funds due and payable to the Bondholders to the extent outstanding and notified by the Trustees.

4. OBLIGATIONS OF THE VARIOUS PARTIES:

for
 (विमल लाल)
 (PREMJI LAL)
 Dy. Director General (P.M.)
 इलेक्ट्रॉनिक विभाग, भारत सरकार
 Deptt. of Telecom, Govt. of India
 नई दिल्ली/New Delhi



Sh
 सुल्तान अहमद / SULTAN AHMED
 महाप्रबन्धक विभाग / General Manager (Finance)
 मेट्रोनिक्स निगम लिमिटेड / MTNL, Corporate Office
 महानगर मुहल्ला रोड / Mahanagar Deonarochan Road
 9, कै.जी.डी. कॉम्प्लेक्स राउट राव हट्टी दिल्ली-110003
 © C.G.O. Complex, Lodi Road, New Delhi-110003

- 4.1 The GOI shall cause the MTNL to open a no lien Designated Trust & Retention Account with the Bank for meeting the debt servicing obligations to the Bondholders. The **"Designated Trust & Retention Account"** shall be held by the Bank to the order of the Trustees.
- 4.2 The Trustees shall within 30 days before the due date inform the MTNL and the GOI in writing regarding the due date of the Bonds and the corresponding principal and accrued interest amount so that the necessary arrangements could be made for meeting the Principal and accrued Interest repayment obligation.
- 4.3 The Designated Trust & Retention Account is to be funded adequately by the MTNL as per Schedule set out in **Annexure II** before the Due Date to the tune of the Principal and/or accrued Interest repayment obligation of the Bonds.
- 4.4 In case the Designated Trust & Retention Account is not funded by the MTNL to the requisite extent as per the Schedule set out in **Annexure II** before the due date for payment of Interest and/ or Principal, the Trustee shall forthwith invoke the GOI Guarantee by sending Notice of Invocation of the Guarantee to the GOI.
- 4.5 The GOI shall without demur, reservations and recourse, at least 3 (Three) days before the due date, deposit/ transfer the Principal and/or accrued Interest amount in the Designated Trust & Retention Account as per the Notice of Invocation of Guarantee by the Trustee.
- 4.6 The Trustee may make more than one demand under the Guarantee.
- 4.7 In case of default by the MTNL, the Trustees shall invoke the GOI Guarantee forthwith so that GOI can transfer the fund to the Designated Trust & Retention Account before the Due Date but the invocation should be within 60 days from the commencement of default. In case, the Guarantee is not invoked within the stipulated period of 60 days, GOI shall not be liable to pay any interest beyond the commencement of default. Further, in case the Guarantee is not invoked within the stipulated period of 60 days, the Guarantee shall cease to exist only for that portion of demand for which the GOI Guarantee has not been invoked.
- 4.8 The Trustee shall intimate the GOI, through the Secretary, Department of Telecommunications, Ministry of Communications or any other designated official to pay the amounts as may be required for servicing of the Bonds on the relevant due date. The change in the address of the Secretary, Department of Telecommunications, Ministry of Communications or any other designated official will be intimated to the Trustees by the GOI. In the event of the change of address not being communicated to the Trustees, Notice sent at the old address shall be valid and binding. The address for the purpose of Notice is as under :


 (प्रीमजित लाल)
 (PREMJIT LAL)
 Dy. Director General (M&M)
 प्रमुख निमित्त, भारत सरकार
 Deptt. of Telecom, Govt. of India
 नई दिल्ली, New Delhi




 सुल्तान अहमद / SULTAN AHMED
 सहायक निमित्त / General Manager (Finance)
 नई दिल्ली निमित्त कार्यालय / M.T.N.L., Corporate Office
 कार्यालय, टूरिस्ट रोड / Marwarji Co-operative Society
 9, सी.डी.डी. कॉम्प्लेक्स, लोदी रोड, नई दिल्ली-110003
 9 C.G.O. Complex, Lodi Road, New Delhi-110003

Secretary,

Department of Telecommunications,
Ministry of Communications
Government of India, Sanchar Bhawan,
20 Ashoka Road, New Delhi- 110001.
Email: *secy-dot@nic.in*

- 4.9 The Designated Trust & Retention Account shall not be discontinued/ closed during the subsistence of the Trustee Agreement and/or until the entire servicing of Bonds is completed, without the prior written approval of the Trustee.
- 4.10 The Bonds and all due and payable outstanding related thereto shall be secured by this unconditional, absolute and irrevocable guarantee by the GOI. The Guarantee given by the GOI shall not be transferable to any agency without the prior approval of Central Government i.e. Budget Division, DEA, MoF.

5. MISCELLANEOUS

- i. This Agreement shall be effective on and from the date of allotment of Bonds and shall be in force till all the obligations in respect of the Bonds under this Agreement have been fully paid and discharged and thereafter all the Parties will be released of their respective rights and obligations.
- ii. The Courts at Delhi shall have the exclusive jurisdiction in respect of any matter, claim or dispute arising out of or in any way relating to this Agreement.
- iii. It is hereby expressly agreed that any modification, amendments, alteration and/ or variation in the terms of this Agreement shall be made only after obtaining the written consent of the Parties regarding the proposed amendments to this Agreement.

6. ARBITRATION:-

- (i) In event of any dispute or difference between the parties hereto, such disputes or differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then the unresolved dispute or difference shall be referred to arbitration of the sole Arbitrator to be appointed by the Secretary, Department of Telecommunications, Ministry of Communications on the recommendation of the Secretary, Department of Legal Affairs ("Law Secretary"), and Government of India. The provisions of Arbitration and Conciliation Act, 1996 (No.26 of 1996) shall be applicable to the arbitration. The venue of such arbitration shall be at Delhi. The language of arbitration proceedings shall be English. The Arbitrator shall make a reasoned award (the "Award"), which shall be final and binding on the parties. The cost of the arbitration shall be shared equally by the parties to the agreement. However, expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself.

Pur
(प्रेमजीत लाल)
(PREMJIT LAL)
उप-सचिव (जी.एस.)
By Director General (P&S)
इसरो/संचार, भारत सरकार
Dept. of Telecom, Govt. of India
नई दिल्ली / New Delhi



Stm
सुल्तान अहमद / SULTAN AHMED
आयुक्त (वित्त) / General Manager (Finance)
म.स.सि.सि. निगम कार्यालय / M.T.N.L. Corporate Office
आजमगढ़ इलाका कार्यालय / Ajmer Nagar District Office
8, सी.पी.ओ. कॉलोनी, एन.टी. रोड, नई दिल्ली-110003
9, C.P.O. Conquest, Lodhi Road, New Delhi-110003

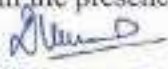
- (ii) Pending the submission of and/or decision on a dispute, difference or claim or until the arbitral award is published; the Parties shall continue to perform all of their obligations under this Agreement without prejudice to a final adjustment in accordance with such award.

IN WITNESS WHEREOF this Agreement executed in triplicate and all the three the Parties hereto have caused to be executed the same by their respective officials/ Constituted Attorney on the day, month and year first above written.

SIGNED AND DELIVERED BY the
For and on behalf of President of India,


(Premjit Lal) (प्रेमजीत लाल)
DDG(PM) Dy. Director General (PM)
संचार विभाग, भारत सरकार
Department of Telecommunications
Ministry of Communications
Government of India, Sanchar Bhawan, 20, Ashoka Road,
New Delhi- 110001.

in the presence of:


(DHIRENDRA VERMA)
Government of India
Department of Telecommunications
Ministry of Communications
Government of India, Sanchar Bhawan, 20 Ashoka Road, New Delhi- 110001.

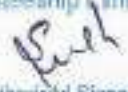
(धीरेन्द्र वर्मा)
(DHIRENDRA VERMA)
निदेशक/Director
संचार विभाग, भारत सरकार
Deptt. of Telecom, Govt. of India
नई दिल्ली/New Delhi

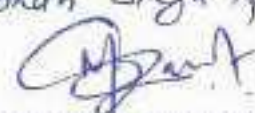
SIGNED AND DELIVERED BY

BEACONTRUSTEESHIP LIMITED by the hand of

Mr. [Satinder Pal Singh] 1
in the presence of:-

For Beacon Trusteeship Limited


Authorized Signatory

(Manmohan Singh Rawat)


SIGNED, DELIVERED AND CONFIRMED BY

Mahanagar Telephone Nigam Limited

By the hand of


(प्रेमजीत लाल)
(PREMJIT LAL)
उप निदेशक (डी.एन.)
Dy. Director General (PM)
संचार विभाग, भारत सरकार
Deptt. of Telecom, Govt. of India
नई दिल्ली/New Delhi




सुल्तान अहमद / SULTAN AHMED
नगरपालिका (निर्वाह) / General Manager (Finance)
महानगर टेलीफोन निगम / M.T.N.L. Corporate Office
नगरपालिका कार्यालय / Mahanagar Donsonchar Sadan
8, 1st Floor, Donsonchar Sadan, New Delhi-110003
8 C.G.R. Donsonchar Sadan, New Delhi-110003


 Mahanagar Telephone Nigam Limited
 Registered & Corporate Office
 MAHANAGAR DOORSANCHAR SADAN
 9 CGO COMPLEX, LODHI ROAD
 NEW DELHI - 110003

An authorised Signatory of the Mahanagar Telephone Nigam Limited,

in the presence of

()

Mahanagar Telephone Nigam Limited
 Registered & Corporate Office;
 MAHANAGAR DOORSANCHAR SADAN
 9 CGO COMPLEX, LODHI ROAD
 NEW DELHI - 110003


 3, सेक कोमली (बि.ए. ए. सी.) / Chief Accounts Officer (FC & IA)
 महानगर दूरसंचार निगम कार्यालय M.T.N.L. Corporate Office
 महानगर दूरसंचार सदन / Mahanagar Doorsanchar Sadan
 9 सी.ओ.सी. कॉम्प्लेक्स लोदी रोड नई दिल्ली-110003
 9, C.O.O. Complex Lodhi Road, New Delhi-110003


 (प्रेमजी लाल)
 (PREMJIT LAL)
 Dy. Director General (NSA)
 इन्फार्मेशन, गवर्नमेंट ऑफ इंडिया
 Deptt. of Telecom, Govt. of India
 नई दिल्ली / New Delhi




 सुल्तान अहमद / MAHANAGAR ANMEO
 महाप्रबन्धक (वि.प्र.) / Mahanagar (Finance)
 महानगर दूरसंचार निगम कार्यालय M.T.N.L. Corporate Office
 महानगर दूरसंचार सदन / Mahanagar Doorsanchar Sadan
 9 सी.ओ.सी. कॉम्प्लेक्स लोदी रोड नई दिल्ली-110003
 9, C.O.O. Complex Lodhi Road, New Delhi-110003

implemented to the satisfaction of the DoT. For this purpose, necessary records to monitor the guarantee, shall be maintained by DoT.

- vi) In case of default, the lending agency shall invoke the Guarantee within a time limit not exceeding 60 days of the default. In case the guarantee is not invoked within the stipulated period, the guarantee would cease to exist for that portion of the tranche/loan/liability for which guarantee has not been invoked.
 - vii) The Govt. guarantee shall reduce periodically equivalent to the repayment that ought to have been made by the borrower as per terms and conditions of loan agreement. This will be subject to condition (vi) above.
 - viii) Though guarantee fee has been waived as per Cabinet approval, DoT is required to show notional entry of guarantee fee in respect of BSNL/MTNL as a book adjustment in its SBE. As per Government Guarantee Policy 2022, applicable guarantee fee in the instant proposal is 0.9%. DoT may, therefore, calculate guarantee fee on the guaranteed amount of ₹ 19,356 crore in the current FY 2022-2023 on pro-rata basis and make a notional entry for the same in SBE. In subsequent years, guarantee fee may be calculated on the outstanding guaranteed amount (principal & normal interest) as on 1st April and notional entry shall be done. DoT may also find equivalent savings for waiver of guarantee fee in its demand.
 - ix) DoT is advised that while approaching DEA for guarantee for the loans to be raised in FY 2023-2024 and in FY 2024-2025 as per the Cabinet approval, they shall report the progress in the land and asset monetisation of BSNL/MTNL. DoT may closely periodically monitor the assurances made in the Cabinet Note on the revival plan.
2. This issues with the approval of competent authority.

(S. R. Raja)

Under Secretary to the Govt. of India
Tele/email: 23094966/raja.sr@nic.in

Member (Finance)
Department of Telecommunications
Sanchar Bhawan, New Delhi.

(प्रेमजीत लाल)
(PREMJIT LAL)
ज्य. महाप्रदेशी (सी.एम.)
Jy. Director General (PM)
दूरसंचार विभाग, भारत सरकार
Deptt. of Telecom, Govt. of India
नई दिल्ली/New Delhi



सुल्तान अहमद / SULTAN AHMED
महाप्रदेशी (सीएम) / General Manager (Finance)
महोदय विभाग, भारत सरकार / MTNL, Corporate Office
महाप्रदेशी दूरसंचार विभाग / Mahapradesh Dourasanchar Bagan
१. सी.एम.ओ. कॉम्प्लेक्स, १०० रोड, नई दिल्ली-११०००३
१. C.O.O. Complex, 100 Road, New Delhi-110003

ANNEXURE-II

STRUCTURED PAYMENT MECHANISM

A Designated Trust & Retention Account in the name of "Mahanagar Telephone Nigam Limited (MTNL)-Bond Account" is to be opened exclusive for the benefit of the Trustee (on behalf of the bondholders). The following payment structure (wherein "T1" is assumed to be the due date for interest payments and "T2" is assumed to be the due date for principal repayment of the bonds) is envisaged for meeting the obligations on the rated bonds.

Interest Payments

Trigger Date	Action Point
(T1-30)th day*	Trustees to inform MTNL and the GOI in writing regarding the due date for payment of interest amount so that the necessary arrangements could be made for meeting the interest payment obligations on the Bonds.
(T1-10)th day*	The Designated Trust and Retention Account is to be funded by MTNL to the tune of the interest obligations on the Bonds.
(T1-8)th day*	If the Designated Trust and Retention Account is not funded to the requisite extent by (T1-8)th day, the Trustees shall forthwith invoke the GOI Guarantee by sending a Notice of Invocation to GOI.
(T1-3)th day*	Last date by which GOI shall deposit requisite funds in the Designated Trust and Retention Account as per the Notice of Invocation served by the Trustees.

If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the following working day in line with SEBI circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016.


(प्रेमजीत लाल)
(PREMJIT LAL)
उप महासंचालक (वित्त.)
By Director General (PM)
इसरोतम विभाग, भारत सरकार
Deptt. of Telecom, Govt. of India
नई दिल्ली / New Delhi




सुल्तान अहमद / SULTAN AHMED
महासंचालक (वित्त.) / General Manager (Finance)
महानगर टेलीफोन निगम / M.T.N.L. Corporate Office
महानगर टेलीफोन निगम / Mahanagar Telephone Nigam
अ. सी.पी.ओ. इकोनोमिक्स, सीडी रोड, नई दिल्ली-110043
9 C.O.O. Complex, Connaught Place, New Delhi-110043

Principal Repayment

Trigger Date	Action Point
(T2-30)th day*	Trustees to inform MTNL and the GOI in writing regarding the due date for repayment of Principal amount so that the necessary arrangements could be made for meeting the Principal repayment obligations on the Bonds.
(T2-10)th day*	The Designated Trust and Retention Account is to be funded by MTNL to the tune of the Principal obligations on the Bonds.
(T2-8)th day*	If the Designated Trust and Retention Account is not funded to the requisite extent by (T2-8)th day, the Trustees shall forthwith invoke the GOI Guarantee by sending a Notice of Invocation to GOI.
(T2-3)th day*	Last date by which GOI shall deposit requisite funds in the Designated Trust and Retention Account as per the Notice of Invocation served by the Trustees.

* If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

(प्रेसीडेंट लाल)
(PREM. IT LAL)
सचिव, प्रमुख (डी.एम.)
सचिव, प्रमुख (डी.एम.)
Dept. of Telecom, Govt. of India
New Delhi



सुल्तान बालिश / SULTAN BALISH
सुल्तान बालिश (डी.एम.)
सुल्तान बालिश (डी.एम.)
Sultan Balish Office
1, 2nd Floor, 110003
with Road, New Delhi-110003

ANNEXURE XII

APPLICATION

FORM

Name of the Arranger(s):

PAN No.*--

Application Form Serial No – MTNL SG Bond Series VII-B dated 30th November, 2022

Name of the Applicant:

Name of the Arranger(s):

I / We undertake that the remittance of application money against our subscription in the issue as per application form has been remitted from a Bank Account in my/ our own name.

I/We hereby certified that the myself/ my organisation is not a national/a body corporate incorporated of/in a country which shares land border with india.

SIGNATORIES (TO BE SIGNED BY THE APPLICANTS / AUTHORISED SIGNATORIES)

Sl. No.	Name of the Applicant (s) / Authorized Signatories	Status / Designation	Signature
1.			
2.			

Tear Here

MAHANAGAR TELEPHONE NIGAM LIMITED

(A Government of India Undertaking)

Registered Office: Mahanagar Door Sanchar Sadan, 5th Floor,

Room No. 5512, (Opp. Gate No. 13, JLN Stadium), 9 CGO Complex, Lodhi Road, New Delhi – 110003

Tel 011-24319020, Fax: 011-24324243; Website: <http://mtnl.in/>

ACKNOWLEDGEMENT SLIP

Sr. No.

Received from M/s	GOVERNMENT OF INDIA, GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES ("BONDS") SERIES VII - B FOR A PERIOD OF 10 YEARS		
Address	No. of Bonds	Amount in Rs.	Stamp
City	PIN		

INSTRUCTIONS

Investors are advised to comply with the following General Instructions:-

- 1) Application Form must be completed and full in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name. For example:

A	B	C	D		W	X	Y	Z					
---	---	---	---	--	---	---	---	---	--	--	--	--	--

- 2) Signatures should be made in English/Hindi or in any of the Indian Language. Signatures made in any other Indian language must be attested by an authorized official of a Bank or by a Magistrate / Notary Public under his / her official seal.
- 3) The remittance of application money to be made through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder. The investor should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL) by 10:30 am on pay-in date. The investor must ensure to do the funds pay-in from their same bank account which is updated by them in the BSE BOND (EBP) platform while placing the bids.

Name of the Bank	ICICI BANK	YES BANK	HDFC BANK
Name of the Beneficiary	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Bank Account No.	ICCLEB	ICCLEB	ICCLEB
Mode	NEFT/RTGS	NEFT/RTGS	NEFT/RTGS

- 4) The remittance of Application Money for subscription to the Bonds shall be made only from the bank account of the Applicant subscribing to the Bonds. If the securities are to be held jointly, the payment is to be made from the account in the name of applicant whose name appears first in the application form. Cash, Stock Invest, outstation cheques, money orders, postal orders etc. will NOT be accepted.
- 5) Application shall be for a minimum number of 1 Bonds/Rs. 10 lakh and multiples of 1 Bonds/Rs. 10 lakh thereafter.
- 6) All communications will be addressed to the applicant whose name appears first in the application form.
- 7) The PAN should be mentioned in the Application Form and copy of the same may be submitted along with application.
- 8) The bonds shall be issued in De-mat form only. Applicant should mention their Depository Participant's name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. The Issuer will take necessary steps to credit the Depository Account of the allottee(s) with the number of Bonds allotted.
- 9) Income Tax as applicable will be deducted at source at the time of payment of interest and interest on application money. Those who are eligible and desirous of claiming exemptions of tax under Income Tax Act, 1961 are required to submit relevant certificate issued by the Income-Tax Officer and / or submit self declaration Form in duplicate as prescribed in the Income Tax Rules 1961, along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.
- 10) Receipt of application will be acknowledged by Arranger stamping the "Acknowledgement Slip" appearing below the Application Form. No separate receipt will be issued.

Application Form Serial No – MTNL SG Bond Series VII-B dated 30th November, 2022

Name of the Applicant:

Name of the Arranger(s):

- 11) Please give the Complete Bank details like Bank Account Number, IFSC Code, Name of the Bank and Branch and Branch Code in the Column for Bank details for the purpose of payment of interest on application money through RTGS.
- 12) In the case of applications made under Power of Attorney or by limited companies, corporate bodies, registered societies, trusts etc., following documents (attested by Company Secretary / directors) must be lodged along with the application or sent directly to MTNL along with a copy of the Application Form.
 - a) Certificate of incorporation and Memorandum & Articles of Association
 - b) Resolution of the Board of Directors/trustees and identification of those who have authority to operate/sign
 - c) Certified True Copy of Power of attorney granted to transact business on its behalf.
 - d) Form 15AA for investors seeking exemption for Tax deduction at source from interest on the application money.
 - e) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney
 - f) Resolution of the managing body of the foundation/association
 - g) Certificate of registration
 - h) Documentary evidence of the Demat details and DPID to be submitted by the investor along with application form.
 - i) The applicants are requested to clearly indicate the DP ID and Client ID details. In case these details are not filled up correctly, the investor shall have to bear the charges levied by NSDL for getting the credit Corporate Action conducted again.
 - j) Copy of PAN card
 - k) Duly filled, signed and stamped **“Part B of form PAS 4”**
 - l) Any other document as may be required to fulfill KYC Requirement.
- 13) The applications would be scrutinized and accepted as per the provisions of the terms and conditions of the Placement Memorandum, and as prescribed under the other applicable Act/ Regulations/ Notification/ statues / guidelines etc. An application form, which is not complete in any respect, is liable to be rejected. MTNL is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason whatsoever. An application form, which is not complete in any respect, is liable to be rejected.
- 14) All future communication should be addressed to the RTA (whose address is given below) or to such other person at such address as may be notified by MTNL from time to time.

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ANNEXURE –

XIII

**CASH FLOW
ILLUSTRATION**

Details of Principal and Interest, year wise on semi annual basis
(as per SEBI CIRCULAR NO: SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021)

Company	MAHANAGAR TELEPHONE NIGAM LIMITED
Series	VII - B
Tenure	10 Years
Face Value (per security) (Rs)	10,00,000
Number of Bonds	27,579
Total Bond Amount (Rs)	27,57,90,00,000
Issue Date/Date of Allotment	Thursday, 1 December, 2022
Redemption	Wednesday, 1 December, 2032
Coupon Rate (%)	7.87
Frequency of the interest payment with specified dates	First Semi Annual Interest on 01 st June 2023 and subsequent semi annual interest on 01 st December 2023, semi annually till maturity
Day count Convention	Actual/Actual

Coupon	Coupon Dates/Actual Dates	Revise Dates/Payment Dates	No. Of Days in Coupon Period	Series VII - B (Amount in Rs)	
				Coupon & Principal Amount	Coupon & Principal Amount
				For single bond of Rs 10,00,000	On Total Series of Rs 2,757.90 Cr
1 st Coupon	Thursday, 1 June, 2023	Thursday, 1 June, 2023	182	39,242.00	1,08,22,55,118.00
2 nd Coupon	Friday, 1 December, 2023	Friday, 1 December, 2023	183	39,458.00	1,08,82,12,182.00
3 rd Coupon	Saturday, 1 June, 2024	Saturday, 1 June, 2024	183	39,350.00	1,08,52,33,650.00
4 th Coupon	Sunday, 1 December, 2024	Monday, 2 December, 2024	183	39,350.00	1,08,52,33,650.00
5 th Coupon	Sunday, 1 June, 2025	Monday, 2 June, 2025	182	39,242.00	1,08,22,55,118.00
6 th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	183	39,458.00	1,08,82,12,182.00
7 th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	182	39,242.00	1,08,22,55,118.00
8 th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	183	39,458.00	1,08,82,12,182.00
9 th Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	182	39,242.00	1,08,22,55,118.00
10 th Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	183	39,458.00	1,08,82,12,182.00
11 th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	183	39,350.00	1,08,52,33,650.00
12 th Coupon	Friday, 1 December, 2028	Friday, 1 December, 2028	183	39,350.00	1,08,52,33,650.00
13 th Coupon	Friday, 1 June, 2029	Friday, 1 June, 2029	182	39,242.00	1,08,22,55,118.00
14 th Coupon	Saturday, 1 December, 2029	Saturday, 1 December, 2029	183	39,458.00	1,08,82,12,182.00
15 th Coupon	Saturday, 1 June, 2030	Saturday, 1 June, 2030	182	39,242.00	1,08,22,55,118.00
16 th Coupon	Sunday, 1 December, 2030	Monday, 2 December, 2030	183	39,458.00	1,08,82,12,182.00
17 th Coupon	Sunday, 1 June, 2031	Monday, 2 June, 2031	182	39,242.00	1,08,22,55,118.00
18 th Coupon	Monday, 1 December, 2031	Monday, 1 December, 2031	183	39,458.00	1,08,82,12,182.00
19 th Coupon	Tuesday, 1 June, 2032	Tuesday, 1 June, 2032	183	39,350.00	1,08,52,33,650.00
20 th Coupon	Wednesday, 1 December, 2032	Wednesday, 1 December, 2032	183	39,350.00	1,08,52,33,650.00
Principal	Wednesday, 1 December, 2032	Wednesday, 1 December, 2032		10,00,000.00	27,57,90,00,000.00
Total			3,653	17,87,000.00	49,28,36,73,000.00