

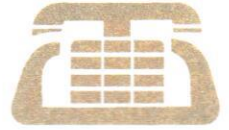
महानगर टेलीफोन निगम लि.

(भारत सरकार का उद्यम)

Mahanagar Telephone Nigam Ltd.

(A Government of India Enterprise)

CIN : L32101DL1986GOI023501



MTNL/SECTT/SE/2016

February 12, 2016

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

Sub: Compliance of Regulation 29(1)(a) of SEBI(Listing Obligations and Disclosure Requirements),2015 : Submission of Un-audited Reviewed Financial Results for the Quarter ended 31st December,2015.

Dear Sir,

Further to our letter of even no.dtd.19th January, 2016, we are forwarding herewith the Unaudited Reviewed Financial results along with the Limited Review Report submitted by the Statutory Auditors of the Company for the Quarter ended 31st December,2015 duly approved by the Board of Directors in its 313th Meeting held in New Delhi today i.e 12th February, 2016.

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

The results are being published in newspapers as per the requirement of Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements),2015.

Thanking you,

Yours faithfully,

(S.R. SAYAL)

COMPANY SECRETARY

Encl: As above

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

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

फोन / Phone : कार्यालय / Office : 24319020, फैक्स / Fax : 24324243 • Website : www.mtnl.in

आप हमारे साथ ट्विन्टी में भी पत्राचार कर सकते हैं।

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 OF STANDALONE UNAUDITED REVIEWED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2015

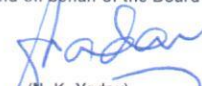
(Rs. in Crore)

Sl. No.	Particulars	3 months ended 31/12/2015	Preceding 3 months ended 30/09/2015	Corresponding 3 months ended 31/12/2014 in the previous year	Year to date figures for Current period ended 31/12/2015	Year to date figures for previous period ended 31/12/2014	Previous year ended 31/03/2015
	(Refer Notes Below)	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	2	3	4	5	6	7	8
1	Income from operations						
	(a) Net income from operations	766.98	783.68	813.92	2,350.86	2,513.51	3,386.52
	(b) Other operating income	3.79	3.53	3.00	10.75	10.15	13.56
	Total income from operations (Net)	770.77	787.21	816.92	2,361.61	2,523.66	3,400.08
2	Expenses						
	(a1) Employee benefits other than retirement benefits	576.69	594.47	562.89	1,763.04	1,726.15	2,347.93
	(a2) Employee benefits for retirement benefits	70.01	83.64	65.98	222.41	202.71	305.26
	(b) Revenue Sharing	60.57	64.95	97.07	189.12	290.36	370.02
	(c) Licence Fees and Spectrum Charges	50.84	57.10	61.35	176.17	192.27	270.61
	(d) Depreciation and Amortisation expenses	271.01	270.82	291.11	821.13	870.69	1,158.59
	(e) Administrative, Operative & Other Expenses	202.82	176.26	171.06	607.92	574.04	822.44
	Total Expenses	1,240.94	1,247.24	1,249.46	3,779.79	3,856.22	5,274.84
3	Profits/ (Loss) from Operations before other income, finance costs and exceptional items (1-2)	(470.17)	(460.03)	(432.54)	(1,418.18)	(1,332.56)	(1,874.76)
4	Other Income	94.75	53.23	64.52	201.23	169.42	420.98
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(375.43)	(406.80)	(368.02)	(1,216.96)	(1,163.14)	(1,453.77)
6	Finance costs	329.50	323.63	362.81	963.37	1,135.14	1,439.62
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(704.93)	(730.44)	(730.83)	(2,180.33)	(2,298.28)	(2,893.39)
8	Exceptional items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(704.93)	(730.44)	(730.83)	(2,180.33)	(2,298.28)	(2,893.39)
10	Tax expense	-	-	-	-	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(704.93)	(730.44)	(730.83)	(2,180.33)	(2,298.28)	(2,893.39)
12	Extraordinary items	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	(704.93)	(730.44)	(730.83)	(2,180.33)	(2,298.28)	(2,893.39)
14	Paid-up equity share capital (Face Value of Rs.10/-each)	630.00	630.00	630.00	630.00	630.00	630.00
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						1,437.42
15 (i)	Earnings Per Share (before extraordinary items) (of Rs.10 each) (not annualised) in Rs.						
	(a) Basic	(11.19)	(11.59)	(11.60)	(34.61)	(36.48)	(45.93)
	(b) Diluted	(11.19)	(11.59)	(11.60)	(34.61)	(36.48)	(45.93)
15 (ii)	Earnings Per Share (after extraordinary items) (of Rs.10 each) (not annualised) in Rs.						
	(a) Basic	(11.19)	(11.59)	(11.60)	(34.61)	(36.48)	(45.93)
	(b) Diluted	(11.19)	(11.59)	(11.60)	(34.61)	(36.48)	(45.93)

Notes:

- The above financial results have been reviewed and recommended for adoption by the Audit Committee in their meeting held on 12.02.2016 and approved and taken on record by the
- The financial results have been subjected to limited review by M/s V. K. Dingra & Co., Chartered Accountants and M/s Mehra Goel & Co., Chartered Accountants.
- Administrative, Operative & Other Expenditure includes Prior Period Expenditure (net).

For and on behalf of the Board


(N. K. Yadav)
Chairman & Managing Director

Place : New Delhi

Date : 12.02.2016

MAHANAGAR TELEPHONE NIGAM LIMITED

CIN No: L32101DL1986GOI023501

STANDALONE UNAUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2015

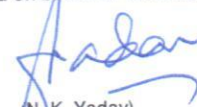
(Rs. in Crore)

Sl. No.	Particulars	3 months ended 31/12/2015	Previous 3 months ended 30/09/2015	Corresponding 3 months ended 31/12/2014 in the previous year	Year to date figures for Current period ended 31/12/2015	Year to date figures for previous period ended 31/12/2014	Previous accounting year ended 31/03/2015
	(Refer Notes Below)	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	2	3	4	5	6	7	8
1.	Revenue from Operations						
	Basic & other Services	612.29	630.35	639.20	1883.42	1979.02	2667.07
	Cellular	160.65	158.38	180.87	483.66	555.50	735.54
	Unallocable	0.06	0.00	0.00	0.06	0.00	11.21
	Total	773.00	788.74	820.08	2367.14	2534.52	3413.82
	Less: Inter unit Revenue- Basic	2.20	1.48	2.24	5.46	7.95	10.25
	Less: Inter unit Revenue- Cellular	0.02	0.04	0.92	0.07	2.91	3.50
	Net Revenue from Operations	770.77	787.21	816.92	2361.61	2523.66	3400.08
2.	Segment result before interest income, exceptional items, finance cost, prior period items and tax						
	Basic & other Services	(238.49)	(290.23)	(268.83)	(835.82)	(904.54)	(974.32)
	Cellular	(117.58)	(117.55)	(103.23)	(366.19)	(334.25)	(439.90)
	Unallocable	(26.94)	(18.70)	4.39	(39.83)	24.32	(82.61)
	Total	(383.02)	(426.49)	(367.68)	(1241.85)	(1214.47)	(1496.83)
	Add: Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
	Add: Interest income	2.02	5.16	2.18	8.97	9.35	34.04
	Less: Finance cost	329.50	323.63	362.81	963.37	1135.14	1439.62
	Less: Prior period items	(5.58)	(14.52)	2.53	(15.93)	(41.97)	(9.01)
	Profit/ (Loss) before tax	(704.93)	(730.44)	(730.83)	(2180.33)	(2298.28)	(2893.39)
	Less: Provision for Current Tax & Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
	Less: Taxes for earlier period(s) written back/paid	0.00	0.00	0.00	0.00	0.00	0.00
	Profit/ (Loss) after tax	(704.93)	(730.44)	(730.83)	(2180.33)	(2298.28)	(2893.39)
3.	Capital Employed (Segment assets - Segment Liabilities)						
	Basic & other Services	4717.33	4756.48	5005.44	4717.33	5005.44	4873.08
	Cellular	(5854.17)	(5285.04)	5691.19	(5854.17)	5691.19	5635.67
	Unallocable	1023.69	1120.52	(8034.60)	1023.69	(8034.60)	(8441.33)
	Total	(113.15)	591.96	2662.03	(113.15)	2662.03	2067.42

Notes:

1. The figures of previous year/period have been revised/ regrouped/ reclassified wherever necessary to conform to current year/ period presentations.

For and on behalf of the Board



(N. K. Yadav)

Chairman & Managing Director

Place : New Delhi

Date : 12.02.2016

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

EXTRACT FROM THE STANDALONE UNAUDITED REVIEWED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2015

(Rs. in Crore)

Particulars	Quarter ending 31/12/2015	Year to date figures for period ended 31/12/2015	Corresponding 3 months ended 31/12/2014 in the previous year
	UNAUDITED	UNAUDITED	UNAUDITED
Total income from operations (Net)	770.77	2,361.61	816.92
Net Profit/ (Loss) from ordinary activities after tax	(704.93)	(2,180.33)	(730.83)
Net Profit/ (Loss) for the period after tax (after Extraordinary items)	(704.93)	(2,180.33)	(730.83)
Equity Share Capital	630.00	630.00	630.00
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)	(743.15)	(743.15)	2,032.03
Earnings Per Share (before extraordinary items) (of Rs.10 each) in Rs.			
Basic :	(11.19)	(34.61)	(11.60)
Diluted :	(11.19)	(34.61)	(11.60)
Earnings Per Share (after extraordinary items) (of Rs.10 each) in Rs.			
Basic :	(11.19)	(34.61)	(11.60)
Diluted :	(11.19)	(34.61)	(11.60)

Note: The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the website of the company at www.mtnl.net.in and on the Stock Exchange websites at www.bseindia.com and www.nseindia.com.

For and on behalf of the Board

(N. K. Yadav)

Chairman & Managing Director

Place: New Delhi

Date: 12.02.2016

MEHRA GOEL & CO.
CHARTERED ACCOUNTANTS
505, Chiranjiv Tower,
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V. K. DHINGRA & CO.
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New Delhi – 110055
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LIMITED REVIEW REPORT

To

The Board of Directors,

Mahanagar Telephone Nigam Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Mahanagar Telephone Nigam Limited for the quarter and nine months period ended on December 31, 2015 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Basis for Qualified Conclusion**
Based on the information provided to us by the management of Mahanagar Telephone Nigam Limited, we have given in the Annexure – I to this report the basis for qualified conclusions.



4. Qualified Conclusion

Based on our review conducted as above, except for the observations / matters mentioned in the preceding paragraph, no other matter has come to our attention, that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable Accounting Standards, notified under Section 133 of the Companies Act, 2013, read with Rules 7 of the Companies (Accounts) Rules 2014 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 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MEHRA GOEL & CO.
CHARTERED ACCOUNTANTS
FRN : 000517N


(NITISH KUMAR CHUGH)
PARTNER
M. No. 512742



For V. K. DHINGRA & CO.
CHARTERED ACCOUNTANTS
FRN : 000250N


(VIPUL GIROTRA)
PARTNER
M. No. 084312



PLACE : NEW DELHI
DATE : FEBRUARY 12, 2016

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ANNEXURE-I TO THE LIMITED REVIEW REPORT ON STANDALONE UNAUDITED FINANCIAL RESULTS OF MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE QUARTER AND NINE MONTHS PERIOD ENDED ON DECEMBER 31, 2015.

(Referred to in Para 3 of our report dated February 12, 2016)

- 1) In respect of the qualifications/ other observations of previous audit reports and/ or limited review reports, though the Company has considered some of the qualifications/ other reservations, it has neither indicated how those qualifications/ other reservations have been resolved nor assigned any reason/ steps which the Company intends to take in respect of the qualifications/ other reservations remaining unresolved in compliance to Regulation 33 (1) (e) read with Part A of Schedule IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The Company continues to allocate the establishment overheads towards capital works on estimated/ adhoc basis. In view of the basis being not in line with the accepted accounting practices and Accounting Standard -10 "Accounting for Fixed Assets", the same results into overstatement of capital work in progress/ fixed assets and understatement of losses. The actual impact of the same on the capitalization & losses for period has not been ascertained. Moreover, in the absence of confirmation of work completion & WIP (work in progress), authenticity and accuracy of amount outstanding and shown as WIP for extraordinary time period cannot be examined. Accordingly, consequential impact on the attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015 cannot be ascertained.
- 3) a) All the receivables and payables including amount receivable / payable from / to DOT, ITI Ltd., Inter Unit Accounts, bank balances, subscriber's deposits pertaining to Delhi Unit and ITC cards etc. are subject to confirmation and/or reconciliation. The Company is not making any provision for old unreconciled outstanding balances from DOT, Govt. agencies and other operators. Any consequential impact of the same on the attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015 is not ascertainable.

b) All the receivables and payables from / to BSNL are subject to confirmation and/or reconciliation. The Company is not making any provision for old unreconciled outstanding balances from BSNL.

Any consequential impact of the above on the attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015 is not ascertainable.

- 4) From financial year 2012-13, the licence fee payable to DOT on IUC charges to BSNL has been worked out strictly as per the terms of Licence Agreement. However shortfall of Rs. 140.36 crore on this account for the period up to financial year 2011-12 shown as contingent liability in 2014-15 has not been provided for in the quarter and nine month period ended on December 31, 2015 also resulting into understatement of losses and understatement of current liabilities to that extent.

Rs. 173 crore being the amount of the excess liability of ITI Ltd lying in the books of MTNL (CSM unit Mumbai), as identified by the Company, has been reversed in the Quarter ended on 31st



December 2015. The said excess liability is stated to be pertaining to the F/Y 2007-08 to F/Y 2012-13.

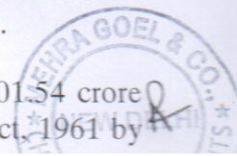
The said excess liability has been reversed out of Fixed Assets capitalised during F/Y 2011-12 to F/Y 2015-16 without identifying the year wise excess liability booked. This has resulting into improper accounting impact on accumulated depreciation, reversal of overheads expenses capitalised in earlier years and the WDV of the related assets. Impact of the same on the attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015 cannot be ascertained pending reworking of the actual impact on financial results based on detailed reconciliation.

- 6) The Company had invested Rs. 100 crore in 8.75 % Cumulative Preference Shares M/s ITI Ltd in 2001-02. As per the revised repayment schedule, the said investment was to be redeemed in five equal installments starting from 2012-13. On default by M/s ITI Ltd. to meet its rescheduled obligations also, a provision has been made by MTNL for four installments of Rs. 20 crore each in 2012-13, 2013-14, 2014-15 and 2015-16 (Upto 31.12.2015) instead of provision for full investment. No provision has been made on this account for the balance amount of Rs. 20 crore resulting into understatement of loss of the company for the quarter and nine month period ended on December 31, 2015 and overstatement of non-current investments to that extent.
- 7) Except for impairment of assets of CDMA Delhi Unit due to closure of CDMA operations, no impairment tests have been carried out on value of the fixed assets as at December 31, 2015. Due to recurring losses incurred by the Company and uncertainty in the achievement of projections made by the Company, we are unable to comment on the provisions, if any, required in respect of impairment of carrying value of the fixed assets and its consequential impact on the loss of the company for the quarter and nine month period ended on December 31, 2015.
- 8) Dues from the operators are not taken into account for making provision for doubtful debts. Also, no provision for doubtful debts is made for disputed cases outstanding for less than one year in Basic and for less than 180 days in GSM/CDMA. In the absence of any working, the impact thereof on the attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015 cannot be ascertained and quantified.
- 9) During the financial year 2012-13 Department of Telecommunication (DOT) had raised a demand of Rs. 3313.15 crore on account of one time charges for 2G spectrum held by the company for GSM and CDMA for the period of licence already elapsed and also for the remaining valid period of licence including spectrum given on trial basis. After correction in the demand for CDMA, the same was subsequently revised to Rs. 3205.71 crore.

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 was created for the demand made by DOT on this account and Rs. 3205.71 crore had 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 attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015 also.

10) Other current assets include claim of Income tax refund for F.Y. 1999-2000 of Rs. 101.54 crore arising from pending appeal effect / rectification under Section 154 of Income Tax Act, 1961 by



income tax department. This includes tax amount of Rs. 60.30 crore and interest accrued thereon amounting to Rs. 41.24 crore. In the absence of complete records, we are not in a position to comment on the correctness and recoverability of the same and consequential impact on the attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015.

11) The balances appearing in the advance tax/income tax receivable / tax deducted at source / interest on income tax and provisions for taxes are subject to reconciliation with the tax records. Pending reconciliations we are not in a position to comment on the correctness of the same and consequential impact of the same on the attached unaudited financial results of the company for the quarter and nine month period ended on December 31, 2015.

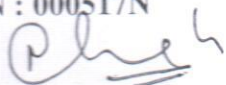
12) In Delhi Unit there is no laid down process / system to reconcile the service tax liability with the total revenue, or with the debtors or under reverse charge mechanism. In addition, there is no reconciliation process with respect to service tax payment or of outstanding Service tax recoverable. In the absence of any such working / reconciliation, we are not in a position to comment on the correctness of the Service tax liability/ service tax recoverable and the consequent impact thereof on the attached unaudited financial results of the Company for the quarter and nine months period ended on December 31, 2015.

13) The company has accumulated losses and its Net Worth has eroded. This may cast significant doubt about the company's ability to continue as Going Concern. However, the financial results have been prepared on Going Concern basis.

14) All above observations/conclusions (except for para 5 & 12 above) were subject matter of qualification in the limited review report for the quarter ended 30th September, 2015.

15) The overall impact of matters referred to in above paras (except for para 4 & 6 above) on the attached unaudited financial results of the company is not determinable.

For MEHRA GOEL & CO.
CHARTERED ACCOUNTANTS
FRN : 000517N


(NITISH KUMAR CHUGH)
PARTNER
M. No. 512742



For V. K. DHINGRA & CO.
CHARTERED ACCOUNTANTS
FRN : 000250N


(VIPUL GIROTRA)
PARTNER
M. No. 084312



PLACE : NEW DELHI
DATE : FEBRUARY 12, 2016