स्वच्छ भारत
एक कदम स्वच्छता की ओर

MTNL

39th Annual Report 2024-25

Mahanagar Telephone Nigam Limited

Transparency makes us different !

MTNL

Thirty-Nine Annual Report

2024-25

Mahanagar Telephone Nigam Limited
(A Navratna Company)

Important Communication to the Shareholders

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that the service of Notice/Documents including Annual Report can only be send by email to its Shareholders/Bondholders. To support this Green Initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holding with the Depositories through their concerned Depository Participant and in respect of physical holding with the RTA of the Company

Notice to Shareholders

SEBI has allowed opening of a special window to facilitate re-lodgement of transfer requests of physical shares lodged prior to the deadline of April 1, 2019 and rejected/returned due to deficiency in the documents. [SEBI Circular No. **SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97** dated July 2, 2025]

Window for re-lodgement	July 7, 2025 to January 6, 2026
Who can re-lodge the transfer requests?	Investors whose transfer deeds are lodged prior to April 2019 and rejected/returned due to deficiency in documents.
How to re-lodge the transfer requests?	Submit original transfer document along with corrected or missing details to the Registrar and Share Transfer Agent, M/s Beetal Financial & Computer Services Pvt. Ltd.

Postal Address	3rd Floor, Beetal House 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062
Helpline No.	011- 42959000 - 009
For any queries	Send an e-mail at beetalrta@gmail.com / mtnlcsco@gmail.com

The shares that are re-lodged for transfer shall be issued only in demat mode.

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BOARD OF DIRECTORS

(As on 23.09.2025)

Shri A. Robert J. Ravi	CMD
Dr Kalyan Sagar Nippani	Director (HR&EB)
Shri Rajiv Kumar	Director (Finance)
Shri Sudhakararao Papa	Director (Technical)
Shri Alok Shukla	Government Director
Shri Shivendu Gupta	Government Director
Shri Vishwas Pathak	Independent Director
Smt. Deepika Mahajan	Independent Director

CHIEF FINANCIAL OFFICER (CFO)	Shri Anirudh Prasad Singh
COMPANY SECRETARY	Shri Ratan Mani Sumit
REGISTERED AND CORPORATE OFFICE	Mahanagar Doorsanchar Sadan 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi - 110 003, Tel: 011-24319020, Fax: 011-24324243, CIN: L32101DL1986GOI023501. Website: www.mtnl.in, Email: mtnlcsco@gmail.com
STATUTORY AUDITORS	M/s O. P. Bagla & CO LLP Chartered Accountants, 501, 5th Floor, B-225 Okhla Industrial Area, Phase-1, New Delhi 110020 Email: admin@opbco.in M/s S.L. Chhajed & Co. LLP Chartered Accountants, D1, B-38 D, Janakpuri, New Delhi-110058 Email: contact@slchhajed.com
COST AUDITOR	M/s R. M. Bansal & Co., Cost Accountants Flat No. 260, Pocket A, Sarita Vihar New Delhi-110088 Mob: 9415134328, 8874341333 Email: cmarmbansal11@gmail.com
SECRETARIAL AUDITOR	M/s R. P. Sehgal & Associates, Company Secretaries F-7, Street No. 3, Chander Nagar (west), Post Office Krishna Nagar, Delhi-110051 Mob: 9810076540, 9810126612 E-mail: sehgalrp@yahoo.co.in

BANKERS

BANKERS	State Bank of India New Delhi/Mumbai, Indian Overseas Bank New Delhi/ Mumbai, Punjab National Bank Delhi/Mumbai, ICICI Bank New Delhi/Mumbai, Bank of Baroda New Delhi/Mumbai, Union Bank of India New Delhi/Mumbai, Indian Bank New Delhi, Axis Bank New Delhi/Mumbai, Canara Bank New Delhi, Punjab & Sindh Bank New Delhi, IndusInd Bank Delhi/Mumbai, Bank of India New Delhi, UCO Bank

REGISTRARS AND TRANSFER AGENTS	M/s. Beetal Financial & Computer Services (P) Ltd. 3rd Floor, Beetal House 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062. Ph: 011-42959000-009 E-mail : beetal@beetalfinancial.com, beetalrta@gmail.com Website: www.beetalfinancial.com SEBI Registration Number : INR000000262
E-VOTING AGENCY	Central Depository Securities Limited (CDSL) E-mail : helpdesk.evoting@cdslindia.com.
SCRUTINIZER	M/s Hemant Kumar Singh & Associates, Company Secretaries E-mail : hemantsinghcs@gmail.com
INVESTOR HELPDESK	Tel: 011-24317225 E-mail : mtnlcsco@gmail.com

39th Annual General Meeting of the members of MAHANAGAR TELEPHONE NIGAM LIMITED will be held on Friday, October 31, 2025 at 11.30 A.M. through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

The Annual Report can also be accessed at www.mtnl.in and websites of Stock Exchanges.

APPEAL TO THE SHAREHOLDERS

All Shareholders who have not submitted their e-mail addresses are requested to send the same on mtnlcsco@gmail.com **/** beetalrta@gmail.com **as under:**

Name:

Folio No:

DP ID/ Client ID:

Email ID:

No. of Shares:

CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

On behalf of the Board of Directors and Management, I welcome you all to the 39th Annual General Meeting of your Company for the Financial Year 2024-25. The Directors Report, Audited Financial Statements (Standalone and Consolidated), Report of the Auditors as well as Comments of Comptroller & Auditor General of India (CAG) on the Financial Statements have been circulated, and with your permission I take them as read.

I would like to highlights some of the steps taken by the Management for Revival of MTNL.

MTNL REVIVAL PLAN:

At the very outset, I am happy to inform you that MTNL and BSNL have entered into a "SERVICE AGREEMENT" on 22.11.2024 under which BSNL has been entrusted with the responsibility to undertake the maintenance and operational activities of MTNL's Telecom Services. The Service Agreement between MTNL and BSNL has become effective from 01.01.2025. According to the Service Agreement, BSNL shall be responsible to run MTNL's telecom services by undertaking maintenance and running activities of MTNL completely. Also, BSNL will invest capital (CAPEX) and other resources (OPEX) for the smooth running of the entire operation in Delhi and Mumbai. The CAPEX and related OPEX will be part of BSNL Balance sheet and EBITDA, and OPEX for MTNL assets will be part of MTNL EBTIDA. In pursuance of this agreement creation of Delhi BA, BSNL in telecom operational area of MTNL Delhi and Mumbai BA, BSNL in the telecom operational area of MTNL Mumbai has been notified by BSNL and the procurement in MTNL is now being done through BSNL tenders by placing add on order or by including MTNL's requirement in the BSNL's Tender.

MTNL is also processing monetization of its real estate assets as per the Revival Plan. Monetization of assets will enable MTNL to raise resources for retiring debt, servicing of Bonds, network up gradation, expansion and meeting the operational fund requirements. MTNL also has been strategically renting out of separable space by optimum utilization of building of own use and earning revenue through renting of buildings /quarters.

In view of unsustainable debts of MTNL, a Committee of Secretaries (COS) has been constituted by Government of India to examine matters such as Asset Monetization, AGR dues, Debt Restructuring etc.

Regarding payment of Principal and Interest of Bank Loan of MTNL, the matter is being discussed at higher level in Department of Telecommunications (DoT) and Banks for settlement with Banks.

Also, MTNL Board has approved the sale of MTNL's Shares in MSITS, JV of MTNL & STPI. Further, MTNL Board has also approved Closure of MTL, a wholly owned Indian subsidiary of MTNL. At present, the proposal has been sent to DoT for Presidential Approval and for forwarding to DIPAM.

For better utilization of manpower and to reduce cost of salary, MTNL Board has also approved Deemed Deputation Policy of MTNL employees to BSNL.

FINANCIAL PERFORMANCE OF MTNL

During the year under report MTNL has earned a total income of Rs. 1,307.02 crores which was Rs. 1,301.48 crore last year. Total expenditure for the year is Rs. 4,630.53 crores which was Rs. 4,603.67 crores last year. The Net Loss for the year is Rs. 3,323.51 crores as against Rs. 3,302.19 crores last year.

Your Directors take this opportunity to gratefully acknowledge the help, guidance and support received from the Administrative Ministry i.e. Department of Telecommunications (DoT) and various Ministries of the Government of India. Your Directors are especially grateful to its Bankers, Customers, Dealers, Business Associates, Vendors, all Stakeholders and Shareholders including Bondholders, for their continued patronage and confidence reposed in the Company. Your Directors would like to express their gratitude for the sincere hard work and dedicated services rendered by every employee of the Company.

(A. ROBERT J. RAVI)
Chairman & Managing Director

PLACE: New Delhi

DATE: 13.08.2025

DIRECTOR'S REPORT

To

The Shareholders,

Mahanagar Telephone Nigam Limited,

Dear Shareholders,

Your Directors' present the 39th Annual Report of your Company together with the Financial Statements and the Report of the Auditors as well as Comments of Comptroller & Auditor General of India (CAG) on the Financial Statements for the Financial Year ended on March 31, 2025.

REVIVAL PLAN OF MTNL

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MTNL is processing monetization of its real estate assets as per the Revival Plan. Monetization of assets will enable MTNL to raise resources for retiring debt, servicing of Bonds, network up gradation, expansion and meeting the operational fund requirements. MTNL also has been strategically renting out of separable space by optimum utilization of building of own use and earning revenue through renting of buildings /quarters.

In view of unsustainable debts of MTNL, a Committee of Secretaries (COS) has been constituted by Government of India to examine matters such as Asset Monetization, AGR dues, Debt Restructuring etc.

Regarding payment of Principal and Interest of Bank Loan, the matter is being discussed at higher level in Department of Telecommunications (DoT) and Banks for settlement with Banks.

Also, MTNL Board has approved the sale of MTNL's Shares in MSITS, JV of MTNL & STPI. Further, MTNL Board has also approved Closure of MTL, a wholly owned Indian subsidiary of MTNL. At present, the proposal has been sent to Department of Telecommunications (DoT) for Presidential Approval and for forwarding to Department of Public Asset and Management (DIPAM).

For better utilization of manpower and to reduce cost of salary, MTNL Board has also approved Deemed Deputation Policy of MTNL employees to BSNL.

PERFORMANCE REVIEW OF MTNL FOR THE FY 2024-25

MTNL has planned several initiatives / projects to improve its network capabilities and provide better quality of service to its customers. Some of the salient initiatives and projects are as below.

1. Mobile Network:

Launching 4G Services in Delhi and Mumbai: Department of Telecommunications (DoT) vide Office memorandum No.30-04/2019-PSU affairs dated 29.10.2019 had informed that Government of India (GoI) in its Cabinet meeting held on 23.10.2019 has approved the proposal of administrative allotment of spectrum to BSNL and MTNL for providing 4G services among other things. In a modification to this decision, the Group of Ministers (GoM) constituted on the matter of "Revival of BSNL and MTNL" approved allocation of 4G spectrum to BSNL in Delhi and Mumbai in place of MTNL in its meeting held on dated 21.12.2020. Accordingly, Mobile 4G network is under process of installation & rollout in Delhi and Mumbai by BSNL.

2. Wireline Network:

a. **Up-gradation of the MPLS Network:** MTNL has upgraded entire MPLS network along with the security solution to handle growing traffic needs of FTTH and 4G networks. MPLS equipment for MTNL has been procured as a part of BSNL's Tender. After installation and AT (acceptance testing) of the equipment, the network has been commissioned on 01.03.2025.

b. **Procurement of Firewalls for MPLS and IT data centre:** Firewalls in MTNL were old and End of Life (EoL). Three new Firewalls (in 1+1 redundant mode) were procured through BSNL's Tender for deployment in MPLS data centre of Delhi, MPLS data centre of Mumbai and IT data centre of Delhi each. The Installation and the AT of firewalls has been completed and commissioned on 01.03.2025.

c. **FTTH Revenue Share Policy**: MTNL had worked out, finalized and made operational the policy to engage partners on revenue share basis to extend its FTTx services. The Policy has been significantly liberalized so as to attract more revenue share partners.

d. **Migration of MTNL FTTH VoIP subscribers on BSNL Network:** In view of obsolescence of C-DOT IMS Core installed in MTNL's network, it was decided to shift the MTNL FTTH voice subscribers on BSNL's Network. The migration has been completed in Delhi and Mumbai.

e. **Migration of MTNL landline subscribers on BSNL IMS core through diversion of spare LMGs from BSNL:** Since, the NT switch installed in MTNL based on TDM technologies have become out-dated and obsolete, it was decided to migrate MTNL landline subscribers on BSNL IMS core through diversion of spare LMGs from BSNL. Integration with BSNL core done and migration completed both in Delhi and Mumbai.

f. **Procurement of BNGs for broadband network:** Keeping in view up-gradation of Broadband Network of MTNL, a need was felt to replace old Broadband Remote Access Servers (BRASs), which are not covered under AMC, with new BNGs having better capabilities. Accordingly, eight numbers of BNGs have been procured by BSNL through their tender to meet MTNL's requirement. The installation, AT and validation testing of the equipment has been completed.

g. **Procurement of Batteries and Power plants:** The Power plants and batteries are the most important infrastructural items to run network. The matter was taken up with BSNL for procurement of batteries through their tender. Accordingly, BSNL has placed the PO for urgent requirement of battery sets, Additional battery sets and Power Plants for MTNL. Work of installation & Acceptance Testing (AT) for Battery banks and Power Plants is under progress.

3. **Synergy between MTNL & BSNL to reduce OPEX and CAPEX:** MTNL and BSNL have entered into a "SERVICES AGREEMENT" on 22.11.2024 under which BSNL has been entrusted with the responsibility to undertake the maintenance and operational activities of MTNL's Telecom Services. This mutually binding Agreement between MTNL and BSNL has come into effect from 01.01.2025 and shall remain valid for a period of Ten (10) years unless it is revoked earlier by giving a notice of Six (06) months or extended by mutual consent between MTNL and BSNL. Prior to this agreement, several synergy/integration measures were also undertaken between MTNL and BSNL to reduce the OPEX & CAPEX. The major steps are summarized as under:

a. **Synergy with BSNL in Mobile Services:** Operation and Maintenance (O&M) of MTNL Mobile services has been handed over to BSNL w.e.f. 01.04.2021 for Delhi and w.e.f. 01.09.2021 for Mumbai. Mobile Network elements of BSNL such as OMCR, CNMC, EIR, SSTP, MNP gateway, SPAM filter have been integrated with MTNL mobile network and are being utilized on need basis.

b. **Synergy with BSNL in Other Services:** The integration of the following network elements of BSNL are under the process of implementation for synergy:

i. **Sharing of NMS for MLLN**: BSNL uses an upgraded NMS with latest servers and application version for managing MLLN network. MLLN network in BSNL and MTNL are of same OEM i.e. M/s Infinera (earlier M/s Tellabs). Since NMS of MTNL was EOSL (End-of-Support life) and was running without AMC, it was decided to integrate MTNL MLLN network with the upgraded NMS of BSNL. Accordingly, MLLN network of MTNL Delhi and Mumbai has been integrated with the upgraded NMS of BSNL.

ii. **Mobile Service Billing:** BSNL has placed a PO for the consolidation of Data centers for its Wireless billing application wherein requirement of Wireless billing would also be catered for the subscribers of 4G services for Delhi and Mumbai service area.

iii. **CDR based Billing System:** Common CDR based Billing system for all fixed line services (BB, FTTH, Landline and Leased circuit) for BSNL is under implementation in BSNL. Migration of the billing for all fixed line services of MTNL on BSNL's CDR platform is planned. At present, BSNL is providing CDR for FTTH subscribers of MTNL.

iv. **ILD for Voice & Data services**: Outgoing ILD traffic of MTNL Delhi and MTNL Mumbai is being routed through BSNL Taxes.

v. **Internet Traffic of MTNL** is being routed through BSNL w.e.f. 27.06.2023 and now MTNL is not taking International Internet Bandwidth from other service providers.

OVERVIEW OF FINANCIAL PERFORMANCE OF MTNL FOR THE FY 2024-25

The Standalone Financial Results of your Company along with Consolidated Financial Results for Financial Year 2024-25 is placed as an annexure to this Report. The Standalone and Consolidated Financial highlights of your Company for the Financial Year ended March 31st, 2025 are summarized as follows:

Particulars	Standalone Financials		Consolidated Financials	
	Year Ended		Year Ended	
	31/03/2025 Audited	31/03/2024 Audited	31/03/2025 Audited	31/03/2024 Audited
Revenue from operations	628.95	728.47	698.02	798.56
Other Income	678.07	573.01	680.50	574.53
Total Income (I +II)	**1,307.02**	**1,301.48**	**1,378.52**	**1,373.10**
Expenses				
Employee benefits expense	570.29	570.06	575.21	574.07
Finance cost	2,918.03	2,689.78	2,918.15	2,689.90
Depreciation and amortization expense	600.32	655.77	612.15	666.35
Other Expenses	541.89	688.06	603.14	712.31
Total Expenses	**4,630.53**	**4,603.67**	**4,708.65**	**4,642.63**
Share of Profit/(loss) in investments accounted for using equity method	-	-	1.82	1.82
Tax expense	-	-	(0.62)	(0.19)
Profit/ (Loss) for the period	**(3,323.51)**	**(3,302.19)**	**(3,327.69)**	**(3,267.52)**
Other Comprehensive Income	(17.85)	(15.22)	(15.70)	(19.16)
Total Comprehensive Income/ (Loss) for the period	**(3,341.36)**	**(3,317.42)**	**(3,343.39)**	**(3,286.68)**

The Company has prepared this Consolidated and Standalone Financial Results in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013.There is no revision of Financial Statements and Board's Report of the Company during the year under review.

FINANCIAL HIGHLIGHTS

(a) Standalone Financial Performance

Income from Operation during the FY 2024-25 is Rs. 628.95 Crore which was Rs. 728.47 Crore during the last FY 2023-24 registering a decrease of Rs. 99.52 Crore. Other Income during the FY 2024-25 is Rs. 678.07 Crore which was Rs. 573.01 Crore during the last FY 2023-24 registering an increase of Rs. 105.06 Crore. Total Income during the FY 2024-25 is Rs. 1307.02 Crore which was Rs. 1,301.48 Crore during the last FY 2023-24 registering an increase of Rs. 5.54 Crore. Total Expenses (without Finance Cost) during the FY 2024-25 was Rs. 1712.5 Crore which was Rs. 1913.89 Crore during the last FY 2023-24 showing a decrease of Rs. 201.39 Crore. Net Loss (without Finance Cost) during the FY 2024-25 is Rs. 405.48 Crore as compared to Rs. 612.41 Crore during the last FY 2023-24 registering a decrease of Rs. 206.93 Crore. Finance Cost during the FY 2024-25 is Rs. 2918.03 Crore which was Rs. 2689.78 Crore during the last FY 2023-24 showing an increase of Rs. 228.25 Crore. Net Loss (after Finance Cost) during the FY 2024-25 is Rs. 3323.51 Crore as compared to Rs. 3302.19 Crore during the last FY 2023-24 registering an increase of Rs. 21.32 Crore.

(b) Consolidated Financial Performance

Income from Operation during the FY 2024-25 is Rs. 698.02 Crore which was Rs. 798.56 Crore during the last FY 2023-24 registering a decrease of Rs. 100.54 Crore. Other Income during the FY 2024-25 is Rs. 680.5 Crore which was Rs. 574.53 Crore during the last FY 2023-24 registering an increase of Rs. 105.97 Crore. Total Income during the FY 2024-25 is Rs. 1,378.52 Crore which was Rs. 1,373.10 Crore during the last FY 2023-24 registering an increase of Rs. 5.42 Crore. The Total Expenses (without Finance Cost) during the FY 2024-25 was Rs. 1790.5 Crore which was Rs. 1952.73 Crore during the last FY 2023-24 showing a decrease of Rs. 162.23 Crore. Net Loss (without Finance Cost) during the FY 2024-25 is Rs. 409.54 Crore as compared to Rs. 577.62 Crore during the last FY 2023-24 registering a decrease of Rs. 168.08 Crore. Finance Cost during the FY 2024-25 is Rs. 2918.15 Crore which was Rs. 2689.90 Crore during the last FY 2023-24 showing an increase of Rs. 228.25 Crore. Net Loss (after Finance Cost) during the FY 2024-25 is Rs. 3327.69 Crore as compared to Rs. 3267.52 Crore during the last FY 2023-24 registering an increase of Rs. 60.17 Crore.

AMOUNT, IF ANY, WHICH THE BOARD PROPOSE TO CARRY TO ANY RESERVES

The Company has not transferred any amount to the Reserves in the absence of any profits during the FY 2024-25.

DIVIDEND

Since there has been no operating profit, the Board of Directors of your Company expresses its inability to recommend any dividend during FY 2024-25. However, the Company has formulated and adopted Dividend Distribution Policy in terms of Regulation 43A of SEBI (LODR) Regulations, 2015 and the same may be accessed on the Company's website https://mtnl.in/mddp.pdf.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

No Material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of the report. There has been no change in the nature of Business of the Company as on the date of the report.

CAPITAL AND DEBT STRUCTURE OF MTNL

During the Financial Year 2024-25, there was no increase in the Authorized Share Capital of your Company. The Authorized Share Capital as at March 31, 2025 of your Company was Rs. 10,000 Crores comprising of 65 Crores of Preference Shares of Rs. 100 each and 350 Crores of Equity Shares of Rs 10 each. The Paid-up Equity Share Capital as at March 31, 2025 of your Company was Rs. 630 Crores comprising of 63 Crores Equity Shares of Rs. 10 each.

During the Financial Year 2024-25, your Company has neither issued any shares with differential voting rights nor has granted any stock option or sweats equity or brought back any shares or issued any equity shares or preference shares or any securities which carry a right or option to convert or issue any share warrants.

During the Financial Year 2024-25 your Company has not allotted any Debentures/Bonds.

The Bonds issued by MTNL are listed on the Wholesale debt market segment of BSE Limited

During the FY 2024-25 your Company has also redeemed the following Bonds on the relevant due date as per their respective terms of issue:

Sr. No	ISIN	Series	No. Bonds	Face Value (in Rs)	Rate of Interest	Allotment Date	Maturity Date
1.	INE153A08048	IV A	14000	10,00,000	8.24%	19.11.2014	19.11.2024
2.	INE153A08063	IV C	7	1,00,000	8.24%	19.11.2014	19.11.2024
3.	INE153A08071	IV D	22689	10,00,000	8.29%	28.11.2014	28.11.2024

Total amount of Bonds redeemed during the FY 2024-25 is Rs. 3668.97 crores.

CREDIT RATING

During the year under review, Care Ratings Limited (CARE) vide its report dated 17.12.2024 have reaffirmed the ratings for the following Instruments of the Company as given below:-

Instruments Details	Amount (In Crores)	Reaffirmed ratings
Bonds	Rs 24,070.99	CARE AAA (CE), Stable
Long Term Bank Facilities	Rs 2,803.81	CARE D
Long Term /Short Term Bank Facilities	Rs 3,500	CARE D
Short Term Bank Facilities	Rs 5,335.10	CARE D

M/s Brickwork Ratings India Pvt Ltd vide its Report dated 12.09.2024 has reaffirmed rating of BWR AAA (CE) Rating Watch with Negative Implication on Rs 6,500 crore Bonds during the year under review.

M/s Indian Ratings & Research Pvt Ltd (India Ratings) vide its Report dated 21.02.2025 has reaffirmed rating of IND AAA (CE)/Stable Rating Watch with Negative Implication on Rs 17,570.99 crore Bonds during the year under review.

M/s CRISIL Ratings Limited (CRISIL) vide its Report dated 11.09.2024 has reaffirmed rating of CRISIL AAA (CE)/ Watch Negative (Placed on 'Rating Watch with Negative Implications') on Rs 6,500 crore Bonds during the year under review.

Details of Privately Placed Debt Securities/Bonds of MTNL as on 31.03.2025

Sl. No.	Name of the issuer	ISIN Number	Issuance Date	Maturity Date	Coupon Rate	Payment Frequency	Embedded Option if Any	Embedded Option if Any Put option Detail	Embedded Option if Any Call option Detail	Amount Issued (in Rs)	Amount Outstanding (in Rs)	Name of the Debentur e Trustee	Company Remarks if any
1		INE153A08089	12.10.2020	11.10.2030	7.05%	Semi Annual	No			43,61,40,00,000	43,61,40,00,000	Sbi Cap Trustee Limited	Sovereign Guarantee by Govt. of India
2		INE153A08097	21.12.2020	20.12.2030	6.85%		No			21,38,60,00,000	21,38,60,00,000		
3		INE153A08105	15.11.2022	15.11.2032	8.00%		No			61,09,60,00,000	61,09,60,00,000	Beacon Trusteeship Limited	
4		INE153A08113	01.12.2022	01.12.2032	7.87%		No			27,57,90,00,000	27,57,90,00,000		
5		INE153A08121	10.02.2023	10.02.2033	7.78%		No			16,17,60,00,000	16,17,60,00,000		
6		INE153A08139	24.02.2023	24.02.2033	7.80%		No			3,61,50,00,000	3,61,50,00,000		
7		INE153A08147	24.03.2023	24.03.2033	7.75%		No			63,40,00,000	63,40,00,000		
8		INE153A08154	20.07.2023	20.07.2033	7.59%		No			24,80,00,00,000	24,80,00,00,000		
9		INE153A08162	24.08.2023	24.08.2033	7.61%		No			10,55,00,00,000	10,55,00,00,000		
10		INE153A08170	07.11.2023	07.11.2033	7.80%		No			25,70,00,00,000	25,70,00,00,000		
11		INE153A08188	06.03.2024	06.03.2034	7.51%		No			5,55,99,00,000	5,55,99,00,000		
		Grand Total								**2,40,70,99,00,000**	**2,40,70,99,00,000**		

ASSET MONETIZATION IN MTNL DURING FY 2024-25

MTNL is processing monetization of its real estate asset as per the decision/Govt. directions/ guidelines. Accordingly, four (04) properties valuing more than Rs. 100 Crore each were been submitted to NLMC for monetization. Out of four, two properties have been taken forward and Transaction Advisor have been appointed for these two properties. Subsequently, 15 more properties have also been referred to NLMC for monetization. In parallel, MTNL has taken up monetization of properties valuing below Rs 100 Crore through approval of Board of Directors of MTNL and/or Group of Ministers (GoM) for revival of MTNL/BSNL. Thirteen (13) properties valuing Rs 10 Crore to Rs 100 Crore each were referred to Department of Telecommunication (DoT) for obtaining GoM approval. Out of 13 properties GoM approval for monetization of 05 properties have been received. MTNL Board has approved monetization of 20 properties of value less than Rs 10 Crore each. Real Estate Transaction Advisors have been appointed for monetization of these properties. Out of these properties reserve price and clearance of Oversight Committee have been accorded for 6 properties and RFP for auction is under process. MTNL is also exploring development/redevelopment model of monetization by conducting feasibility study for one property in Delhi. MTNL has been strategically renting out of separable space by optimum utilization of building of own use and earning revenue through renting of buildings / quarters. MTNL generated revenue of Rs 381.30 Crore from rental of properties during FY 2024-25.

PROCUREMENT DONE BY MTNL DURING FY 2024-25 (Rs. in Crores)

Sl. No.	PROCUREMENT DURING FY 2024-25	(Rs. in Crores)
1.	Total Procurement during the year	51.4961
2.	Annual Procurement from Micro and Small Enterprises (MSEs)	51.4936
3.	Annual Procurement from MSEs owned by SC/ST Entrepreneurs	0
4.	Annual Procurement from MSEs owned by Women Entrepreneurs	0.4868
5.	Annual Procurement from GeM	7.65
6.	Annual Procurement from MSEs on GeM	7.62

REVIEW OF SUBSIDIARIES ASSOCIATES AND JOINT VENTURE COMPANIES

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiaries, associates and joint ventures, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. Pursuant to the provisions of the said section, a statement containing the salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is given in this Annual Report.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013 the Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate Audited Financial Statements in respect of subsidiaries are available on the Company's website https://mtnl.in/finres.html.

During the year under review, there has been no change in the nature of the business of the Subsidiaries.

During the period under review, no Company has become or ceased to be Subsidiary, Associates or Joint Venture of the Company

The Policy on Material Subsidiary has been approved by the Board and the same may be accessed on the Company's Website at the link: http://mtnl.in/policy_materialsubsidy.pdf

Performance highlights of Subsidiaries, Associates and Joint Venture Companies during FY 2024-25 are briefly given as under: -

SUBSIDIARIES

(I) MAHANAGAR TELEPHONE (MAURITIUS) LTD (MTML) (A WHOLLY OWNED OVERSEAS SUBSIDIARY)

MTML is a Wholly owned overseas 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 170%, MTML has been able to successfully position itself with Customer Centric Services. With patronage of more than 3,69,000 customers, MTML is able to compete well in a saturated telecom market. 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/4G 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 1887 TB of data every month. Data download has multiplied by more than 17% during the financial year 2024-25. 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 licence for 5G Services in Mauritius . Action on procurement of equipment has been started and it is expected to launch 5G Services in commercially important areas in due course. 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 Smartphone and the business has picked up well during past two years. All the expenses of the company are paid from its own internal resources. The CAPEX for procurement of equipment is met

from its own internal resources. MTML is operating from its own building, constructed from internal resources, 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. The Board of MTNL in its 359th meeting held on 14.08.2024 had approved the sale of shares of MTNL in MTML and for making application to DoT for Presidential Approval and also requesting Department of Telecommunications (DoT) for forwarding the application to DIPAM for taking in-principle approval of the proposal for sale of shares of MTNL in MTML. But, in view of the strategic importance of the MTNL investment in MTML and geopolitical importance of presence of an Indian Company in that region, MTNL is requesting DoT to reconsider the decision of exit from MTML. During the Financial Year under report, MTML has incurred a loss of Rs 4.51 crores as against loss of Rs 1.73 crores last year. Turnover during FY 2024-25 is Rs 71.70 crore as against of Rs. 72.74 crore last year. No dividend was declared by MTML during the FY 2024-25.

(II) MILLENNIUM TELECOM LTD (MTL) (A WHOLLY OWNED INDIAN SUBSIDIARY)

Millennium Telecom Ltd. (MTL) is a wholly owned subsidiary of Mahanagar Telephone Nigam Limited (MTNL). MTL was incorporated in February 2000 and has its registered office in New Delhi. ICT related Services being offered by MTL included Cloud services, Wi-Fi solution; project one-governance, Managed services, Turnkey ICT solution, GIS based services, capacity building and skill development etc.. MTL's customer list includes Air India, NHAI, Uttarakhand Government, 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. As per the decision taken in CoS meeting and conveyed by Department of Telecommunications (DoT) in a meeting to MTNL, MTL is to be closed. The Board of Directors of MTNL in its 359th Meeting held on 14.08.2024 had approved the proposal for Closure of MTL, by complying with applicable DIPAM guidelines and all other processes as per SEBI/ Company laws and for making application to DoT for Presidential Approval and also requesting DoT for forwarding the application to DIPAM for taking in-principle approval of the proposal for closure of MTL from Alternate Mechanism (AM).During the Financial Year under report, MTL has registered a Profit after tax (PAT) of Rs. 36.07 Lakh as against of Rs. 24.61 Lakh last year and has a reserve and surplus of Rs. 3.39 Crore as against Rs. 3.17 Crore last year. MTL has also declared a dividend of Re. 25.06 Lakhs which is 4% of its Net worth.

JOINT VENTURE

(I) MTNL STPI IT SERVICES LTD (MSITSL)

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 and accredited with ANSI/TIA-942-C-2024 Rated-III Data Center at Chennai. The Data center 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. 921 Lakhs (444 Lakh invested in FY 2022-23). This Data Center is maintaining 99.98% uptime on 24x7x365. The commercial operation of the Data Center commenced in 2009. At present, Government and financial institutions are prime customers and they have co-located server/storage/network racks in the MSITSL Data Centre. The Board of Directors of MTNL in its 359th Meeting of MTNL held on 14.08.2024 had approved the proposal of sale of shares of MTNL in MTNL STPI IT Services Ltd (MSITSL) under intimation to STPI by complying with the provisions of JV Agreement with STPI and complying with applicable DIPAM Guidelines and all other processes as per SEBI/Company laws including plan to offer the same to any other PSU or State Govt., if STPI refuses to purchase MTNL's stake in MSITS and also for taking any other action for competitive bidding as per DIPAM guidelines and also for making application to DoT for Presidential Approval for the proposal and also requesting DoT for forwarding the application to DIPAM for taking in-principle approval of the proposal for sale of shares of MTNL in MTNL STPI IT Services Ltd (MSITS). The revenue of the Company has been increasing year after year from the date of its commercialization in 2009. During the Financial Year under report, MSITSL has registered a Profit after tax (PAT) of Rs. 3.63 Crore as against of Rs. 3.64 Crore last year and has a reserve and surplus of Rs. 2.67 Crore as against Rs. 2.46 Crore last year. The revenue from operations During the Financial Year under report is Rs 10.51 crore as against of Rs. 9.47 crore last year. MSITSL has also declared a Final dividend of Rs 1.14 crore and Interim dividend of Rs. 2.28 crore during the FY 2024-25.

(II) UNITED TELECOMMUNICATIONS LTD. (UTL), NEPAL

UTL is J.V. Company of MTNL which consists of TCL, TCIL, Nepal Ventures Private Ltd (Nepal) & MTNL. The Company provides Mobile/ILD/data services in Nepal. At present MTNL is holding 26.68% of Equity in UTL. The three Indian JV Partners are holding 80% and NVPL is holding 20% in The share capital of 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. Now, MTNL along with other Indian JV Partners are exploring various options available to them for exit from UTL, which are: Reminder to implement the exit right already exercised, to hold board meeting of UTL for consideration of all such issues, Sale of shares to NVPL via exercise of Exit Right etc. The Board of Directors of MTNL in its meeting held on 28.05.2025 has decided

to request NVPL, Nepal again to comply with Article 12.19 of the Fourth Amendatory Agreement dated 30.01.2018 regarding Exercise of Exit Option by MTNL from UTL.

DETAILS OF SYSTEM STATUS FOR THE FINANCIAL YEAR 2024-25 (AS ON 31st MARCH, 2025)

Your Company has the following equipped and used capacity of Landline, GSM, Broadband etc. as on 31st March, 2025: -

Sl. No.	Parameters	MTNL Delhi	MTNL Mumbai	MTNL Total
1	Number of Switches	284	229	513
2	Details of Capacity			
2a	Landline	1658279	2464710	4122989
2b	Broadband Capacity	788736	845020	1633756
2c	GSM (Mobile)	1900000	2800000	4700000
3	DELs (Landline, GSM, Broadband)	1707239	1399924	3107163
3a	Land Line	729995	1012887	1742882
3b	Broadband Subscribers	187930	178122	366052
3c	GSM (Mobile)	789314	208915	998229
4	FTTH Subscribers	47436	31333	78769
5	ISDN	6322	1291	7613
6	DLC (No.)	2	32	34
7	Tax Capacity	80000	115200	195200
8	Tandem Capacity	175500	331240	506740
9	Optical Fibre Cable			
9a	OFC in Route Kms	9737.345	6870.418	16607.763
9b	OFC in Fibre Kms	320580.900	220159.428	540740.328
10	Leased Circuits	7351	9368	16719

HUMAN RESOURCE DEVELOPMENT

The Company attaches highest priority to the quality of intellectual capital at its disposal and believes that knowledge and skills of its employees are the key to achievements of its corporate mission. It has sound recruitment policy and comprehensive training system. During the past one year, our Company has laid greater emphasis on Human Resources Development. We have been devoting substantial resources on building a skilled workforce that have capability to counter threats posed by ever changing customer base. The Company has been conducting various training and development activities which apart from reorienting the employees towards the greater organizational purpose are also focusing on eliminating any skill gap and technical

obsolescence. The management's view on training is one of development of employee's overall personality and enabling them in becoming a vital productive resource.

TRAINING ACHIEVEMENTS

At present, MTNL has two of its in-house state of the art training centers, one located in New Delhi and other at Mumbai. The details of the achievement of training centers at Delhi and Mumbai respectively are given below:

1. THE INSTITUTE OF TELECOM, TECHNOLOGY & MANAGEMENT (ITTM), NEW DELHI –

The Institute of Telecom Technology and Management, ITTM, Shadipur, New Delhi is a state of the art training centre of MTNL, Delhi engaged in imparting induction training and short duration training to its officers and employees in the field of Telecom, IT, Computer System and Management. ITTM has the necessary infrastructure, technical and academic competence and excellence for providing training in specialized courses in the field of GSM, Broadband Technology, Switching, Transmission, External Plant, IT, Computer System, Management and various wellness and life style management subjects comprising of Motivation, Positive Thinking, Stress Management, and Cyber Security, RTI. In addition to this, ITTM also conducts various Industrial visits for students from Engineering Colleges and various schools of India. ITTM conducts financial upgradation training course for MTNL executives from E2 to E7 grade in Core Competency (Telecom, Civil, Finance, Electrical, HR/ Marketing/CS/Legal) and Management module of one week duration each. From April 2024 to March 2025, total 554 executives have undergone up-gradation training and awareness programs. Details of ITTM's achievements during 2024-25 are as follows:

S. N.	Mode of Training	Name of Programs	Number of Training Programs	Numbers of Trainees Trained
1.	E-mode	Financial up-gradation	06	46
2.	Off line	Financial up-gradation	28	247
		General awareness programs like RTI/ Cyber Security /Vigilance	17	194
		Classes on topics like CACU	03	67

II. CENTRE FOR EXCELLENCE IN TELECOM TECHNOLOGY & MANAGEMENT (CETTM), MUMBAI-

The Centre for Excellence in Telecom Technology & Management (CETTM), an ISO 9001:2015 certified institute, is situated at Technology Street, Hiranandani Gardens, Powai, Mumbai. CETTM has conducted various short duration Technical as well as Management

related courses for MTNL employees on need basis to improve MTNL services. CETTM successfully conducted 18 upgradation training programs (online via e-mode) and trained 189 in house personal and a classroom training workshop course on GeM Portal eProcurement, consisting of 42 trainee, achieving a figure of 231 trainee days from April 2024 to March 2025.Total 935 number of Engineering/Polytechnic college students from 14 different colleges took part in the industrial visit program at CETTM in FY 2024-25.CETTM continues to be the first choice for conducting training courses, workshop, seminar by our esteemed clients. Top clients include Tata Projects Limited, Maharashtra National Law University, IIT Bombay, IIT Madras, IIM Mumbai, Welingkar Institute of Management, Delhi Metro Rail Corporation Limited, Kendriya Vidyalaya and LIC.

INDUSTRIAL RELATIONS

Industrial peace and Industrial harmony is based on healthy Employee Relations and like the previous year, employee relations remained cordial throughout the year. The grievances/ issues raised by the employees/ Unions /Associations were given due attention and regard. The cases/ issues brought up by them were settled through regular meetings and interactions between Management and Unions/Associations and action, as mutually agreed, was taken to settle them.

EMPLOYEES' WELFARE

Employee welfare schemes like subsidized Canteen, Housing, Medical facilities, Group Insurance etc. continued and maintained by the Company for its employees. Sports and cultural activities were also given priority during the year. Changeover of Contributory Group Health Insurance Scheme for retirees to CGHS- After pursuance of MTNL with DoT, Ministry of Health issued instructions to CGHS for enrolment of MTNL retirees (drawing Govt. Pension) in the CGHS. To facilitate the same an incentive (MTNL contribution) is being provided to the retirees concerned. MTNL has increased the contribution which is presently minimum of Rs.20,000/- and maximum Rs.40,000/- by 50% i.e. to minimum Rs.30,000/- and maximum Rs.60,000/-. As on date, approximately '24362' retirees in MTNL have benefited from this scheme.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

In our Company, more and more correspondence are being done in Hindi, office work in files/e-files, computers, websites, SMS service, compliance of bilingual provisions related to all items of the official work at Head Office (Corporate Office) as well as Delhi and Mumbai Units and area GM offices, Telephone Exchanges under those Units was emphasized in compliance with the Official Language Policy. Thereby, prompt efforts were done towards attaining the national goal of doing official work in Hindi, the Official Language. Towards this, compliance of the provisions of Official Language Policy and directions of the Department of Official Language and Department of Telecommunications, issued from time to time, by holding the quarterly meetings, inspections, workshops-training, bilingual versions & updation of the main website as well as websites of the Units etc., making contribution towards the aim of atmnirbhar Bharat & development of indigenous technology by doing all the translation work and sending it to global data base on the 'Kanthasth' translation app developed by the Department. of Official Language,

Govt. of India, more and more use of Official language by officers and officials in office work was emphasized.

IMPLEMENTATION OF RESERVATION POLICY FOR SC/ST/OBC & PH COMMUNITY

The Company has endeavoured to fulfill all the statutory requirements with regard to implementation of reservation policy for candidates to SC/ ST/ OBC communities as well as Physically Challenged and Economically Weaker Section candidates.

IMPLEMENTATION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has constituted an Internal Committee to look into the complaints on Prevention, Prohibition & Redressal of Sexual Harassment of Women at workplace and matters connected therewith or incidental thereto covering all aspects as contained in the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013. The Committee consist of the following members:

- A Presiding Officer: This must be a senior female employee of the organization.
- Two employee members: These employees must be aware and sensitive to gender issues and dedicated to the cause of women or possess some legal knowledge on related matters.
- One External member: This should be from an NGO or Association committed to the cause of women and issues related to sexual harassment. The composition should be such that half of the total members must be women.

Details regarding Number of Complaints received, disposed and pending during FY 2024-25 is given below: -

Number of Complaints of Sexual Harassment case received in the year	2
Number of Complaints of Sexual Harassment case disposed during the year	2
Number of cases pending for more than ninety days.	0

WORKING CONDITION OF WOMEN EMPLOYEES

The Company is continuously striving towards gender sensitization amongst our employees. Special care has been taken in case of woman employees in night shifts. Also to redress the issues of Sexual Harassment at workplace, special cells have been constituted.

COMPLIANCE WITH PROVISIONS RELATING TO MATERNITY BENEFITS ACT, 1961

The Company is complying with the provisions relating to Maternity Benefits Act, 1961. Maternity Leave Policy is already in place in the Company & is aligned with the latest Central Government Guidelines as & when received through its Administrative Ministry. i.e. Department of Telecommunications (DoT).

MANPOWER STATUS AS ON 31ST MARCH 2025

As on 31st March, 2025, the total strength of employees including SC/ST & OBC Category working in the Company as per details is given below: -

Group	Working	SC	ST	OBC*
A	211	47	21	24
B	904	171	42	176
C	1195	291	19	70
D	721	244	17	41
TSM	-	-	-	-
Grand Total	**3031**	**753**	**99**	**311**

*At the time of formation of MTNL in April 1986, all employees of DoT were transferred to MTNL on as is where is basis. The Group 'C' and 'D' employees were absorbed in MTNL in the year 1998, whereas Group 'B' officers were absorbed in the year 2000. In subsequent years, some of Group 'A' officers were absorbed in MTNL. At the time of recruitment by DoT and absorption in MTNL, maintaining of separate data for OBC category was not mandatory, therefore, the data for OBC officials/officers was not maintained. It is further submitted that OBC employees were not identified at the time of absorption. They were absorbed in MTNL on "as is where is" basis.

TOTAL NO. OF EMPLOYEES (MALE & FEMALE) AS ON 31.03.2025

Total (A)	Male		Female	
	No. (B)	% (B/A)	No. (C)	% (C/A)
3031	2450	80.83	581	19.17

TOTAL NO. OF DIFFERENTLY ABLED EMPLOYEES AS ON 31.03.2025

Total (A)	Male		Female	
	No. (B)	% (B/A)	No. (C)	% (C/A)
26	24	92.30	2	7.70

MECHANISM AVAILABLE TO RECEIVE AND REDRESS GRIEVANCES FOR THE EMPLOYEES

MTNL has its own Grievance Redressal Procedure for employees. Management of the Company believes in the philosophy of an Open Door Policy in the matter of redressal of employee grievances. An aggrieved employee can approach his/her Departmental Head or the concerned officer of the Personnel Department (including the Head of the Personnel Department) and discuss his/her grievance. Best efforts are made to enable prompt actions on the issues raised by the employee.

The objective of the Grievance Redressal Procedure is to provide an easily accessible machinery for settlement of grievances, and to adopt measures as would ensure expeditious settlement of grievances, leading to increased satisfaction on the job and resulting in improved productivity and efficiency of the organization.

MECHANISMS TO PREVENT ADVERSE CONSEQUENCES TO THE COMPLAINANT IN DISCRIMINATION AND HARASSMENT CASES

To prevent adverse consequences to the complainant in discrimination and harassment cases, your Company has appointed concerned Liaison Officers and constituted Committees.

COMPLIANCE OF MTNL WITH RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016

Your Company complies with provisions of Rights of Persons with Disabilities Act, 2016 to protect the interests of persons with disabilities. Reservation is provided as per Government of India (GoI) instructions in direct recruitment for Persons with Benchmark Disabilities. Separate 100 point vacancy based reservation roster register is maintained for determining/effecting reservation for the Persons with Benchmark Disabilities. Relaxation in age limit and standards of suitability (as applicable) is given to persons with disabilities. Liaison Officers for PwD have been appointed to look after reservation matters and to ensure compliance of instructions of the Act.

MEASURES TAKEN BY MTNL TO ENSURE A SAFE AND HEALTHY WORK PLACE

a. In order to ensure a safe and healthy workplace, requisite security measures, installation and maintenance of fire extinguishers and housekeeping measures have been taken in MTNL.

b. MTNL being an essential service provider of telecom services, MTNL has been scrupulously following COVID prevention and management guidelines for all its stakeholders like social distancing, wearing of masks, and frequent hand sanitization.

c. Quarantine Leave has been provided for employees whose family members have been infected with COVID.

d. For employees and their family members requiring hospitalization due to COVID, Group Health insurance coverage upto Rs.8 Lakhs is being provided under Group Health Insurance Scheme.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Owing to losses incurred by the Company since the year 2009-10, no specific amount could be earmarked for CSR Activities. The Company has constituted a CSR Committee and also formed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and DPE Guidelines on the subject. 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. For details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this Report. The CSR Policy is available on the website of the company https://mtnl.in/csr_2014.pdf.

VIGILANCE

The Vigilance unit of MTNL is headed by Chief Vigilance Officer. At present, Smt. Deepa Chawla, (IRAS) CVO, BSNL is in additional charge of CVO, MTNL is responsible for complete vigilance administration in MTNL. During the Financial Year 2024,25, emphasis was laid on preventive vigilance and to enhance the awareness of transparency and accountability in working by carrying out various types of field inspections. Further, training program/seminars on Vigilance matters/complaints handling and disciplinary proceedings have been conducted during the year for the employees to improve their knowledge and work efficiency. As per CVC instructions, the Vigilance Awareness Week was observed from October 28th, 2024 to November 3rd, 2024 with the theme "Culture of Integrity for Nation's Prosperity". As a precursor to Vigilance Awareness Week 2024, preventive vigilance activities were taken up w.r.t. Capacity Building programs, identification and implementation of Systemic Improvement measures, Updation of circulars/ manuals, Disposal of complaints and Dynamic Digital Presence during the three month campaign period. During the observance of Vigilance Awareness Week, various activities like administering pledge, release of information on the Vigilance & Disciplinary matters, preventive vigilance and other general conduct (Do's and Don'ts) among the employees were distributed. Also, various programmes such as seminars, workshops, essay, poster as well as Quiz competition were organized.

RIGHT TO INFORMATION (RTI)

In line with the directions contained in the Right to Information Act 2005, Your Company has nominated CPIOs & FAA(s) for Corporate Office, Delhi Unit and Mumbai Unit for providing information to citizens. Details of CPIO(s) & FAA(s) in MTNL are given below: -

Sl. No	MTNL Unit	MTNL Website weblinks where CPIO(s) & FAA(s) details are present for public domain
1	MTNL Delhi unit	https://mtnldelhi.in/mobile/Latest%20CPIO%20List.pdf
2	MTNL Mumbai unit	https://mtnlmumbai.in/images/stories/PDF_FILES/CPIO_FAA_List.pdf
3	MTNL, Corporate Office	https://mtnl.in/rti_act1.html

Details of RTI Requests and Appeals disposed off by MTNL in the FY 2024-25 are given below: -

1. RTI Requests disposed off during FY 2024-25 are 780
2. RTI Appeals disposed off during FY 2024-25 are 77

WHISTLE BLOWER POLICY/VIGIL MECHANISHM

Your Company has in place a robust Vigil Mechanism for reporting genuine concerns through the Company's Whistle Blower Policy. The Policy on Whistle Blower may be accessed on the Company's Website at the link: http://mtnl.in/whistleBlowerPolicy.pdf . The Company promotes

ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior as defined under Regulation 22 of SEBI (LODR) Regulation, 2015. Under the Whistle Blower Policy, the employees are free to report violations of applicable laws and regulations and the Code of Conduct to the Chairman of the Audit Committee. During the year under report, no employee was denied access to the Audit Committee.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators/Courts/Tribunals that would impact the going concern status of the Company and its future operations. Kindly refer Note no 50 of Standalone Financial Statements pertaining to contingent liabilities, pending litigations etc.

INTEGRITY PACT PROGRAMME WITH TRANSPARENCY INTERNATIONAL INDIA

MTNL has signed a Memorandum of Understanding (MoU) with Transparency International India (TII) for implementing an Integrity Pact Programme (IPP) focused on enhancing transparency in its business transactions, contracts and procurement process. Under this MoU, MTNL is committed to implementing the Integrity Pact in all its major procurement and work contract activities. The Integrity Pact has strengthened the established system and procedures by creating trust in various stakeholders. Two Independent External Monitors (IEMs) being persons of eminence are nominated by the Central Vigilance Commission (CVC), to monitor the activities.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The provision of Section 134(m) of the Companies Act, 2013 do not apply to the Company as your Company is a service provider. The total foreign exchange earning was Rs. 1.30 crores and the total foreign exchange expenditure was Rs. 0.34 crores**.**

RISK MANAGEMENT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors of the Company has formed a Enterprise Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee also has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of Enterprise Risk Management Policy has been covered in the Management Discussion and Analysis Report as required in terms of SEBI(LODR) Regulations, 2015 which forms part of this Report.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under report, the Board of Directors of your Company met four times during the Financial Year 2024-25. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 & the SEBI (LODR) Regulations, 2015 i.e. the maximum

interval between any two Board Meetings did not exceed 120 (one hundred and twenty) days. Details of Board Meetings and Directors attending the same are given in the Corporate Governance Report forming part of this Report. At these meetings, the Board held discussions on the Financial Results, Debt Management, Revenue and Capital Budgeting, Asset Monetization, Statutory matters, Revival measures etc.

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

MTNL being a Government Company, the appointment and the terms and conditions of appointment (including remuneration) of the Whole-Time Directors are decided by the Government of India. However, the Board has constituted a Nomination & Remuneration Committee. The Government Nominee Directors do not receive any sitting fees from the Company. The Independent Directors are being paid sitting fee of Rs. 10,000/- for attending each meeting of the Board or Committee thereof. They are reimbursed travel expenses & hotel expenses on this account, if any in addition to the sitting fees. Details of remuneration paid to the Whole time Directors and Key Managerial Personnel (KMP) as well as sitting fees paid to Independent Directors for the year under review are given in the Corporate Governance Report which is attached as annexure to this report.

BOARD FAMILIARISATION AND TRAINING PROGRAMME

The Board is regularly updated on changes in statutory provisions, as applicable to the Company. The Board is also updated on the operations, key trends and risk universe applicable to the Company's business. These updates help the Directors in keeping abreast of key changes and their impact on the Company. For further details, kindly refer Corporate Governance Report which forms part of this Report.

PERFORMANCE EVALUATION OF DIRECTORS

Ministry of Corporate Affairs (MCA) vide notification No. G.S.R. 463(E) dated 05.06.2015 & G.S.R. 584(E) dated 05.07.2017 has exempted the Annual Evaluation of Performance of the Board, Committees and Individual Directors for Government Companies.

TRANSFER OF FUNDS/SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has not declared dividend from FY 2009-10 onwards, hence provision of transfer of unclaimed dividend and shares as per IEPF Rules is not applicable to your Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties are placed before the Audit Committee for its prior approval. All transactions with related parties entered into during the year under review were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, SEBI (LODR) Regulations, 2015 and your Company's Policy on Related Party Transactions. During FY 2024-25, your Company has

not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2, is not applicable. Your Company did not enter into any related party transactions during the year under review, which could be prejudicial to the interest of minority shareholders. Web link for Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions has been provided in the Report on Corporate Governance which forms part of Annual Report. Details of Related Parties, Summary of Significant transaction with Related Parties and Summary of Significant Outstanding Balances with Related Parties of your Company are given in Note No 49 to the Standalone Financial Statement which is a part of the report. Pursuant to Regulation 23(9) of SEBI (LODR) Regulations, 2015 your company has filed the reports on Related Party Transactions with the Stock Exchanges on Half yearly basis.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

During the year under report, there was no Loan or Guarantee given or Investments made by the MTNL under Section 186 of the Companies Act, 2013.

CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirement under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the relevant guidelines issued by Department of Public Enterprises (DPE). Your Company is also complying with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). A Certificate from M/s Mritunjay Shekhar & Associates, Practicing Company Secretaries, regarding Compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of SEBI (LODR) Regulations, 2015 for the FY 2024-25 and Annual Secretarial Compliance Report for the FY 2024-25 pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 has also been obtained from M/s R. P. Sehgal & Associates, Practicing Company Secretaries respectively are also placed as annexure to this Report. Further, a separate section on Corporate Governance is also placed as annexure to this report.

BOARD POLICIES

The details of various policies approved and adopted by the Board as required under the Act and SEBI (LODR) Regulations, 2015 is provided in the Corporate Governance Report which forms part of this report.

SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of the Company Secretaries of India (ICSI) and such systems are adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 the Annual Return of the Company prepared as per Section 92(3) of the Companies Act, 2013 for the financial year ended March 31, 2025, is available on the Company's website and can be accessed at www.mtnl.in. In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Registrar of Companies, within prescribed timelines.

IMPLEMENTATION OF CIRCULAR ISSUED BY MINISTRY OF CORPORATE AFFAIRS (MCA) ON "GREEN INITIATIVES IN CORPORATE GOVERNANCE"

In accordance with the MCA and SEBI Circulars and to ensure compliance of Green Initiative, your Company has sent various documents including Notice of the 39th AGM, Audited Financial Statements, Directors' Report, Auditors' Report for the FY 2024-25 etc. to its Shareholders and Bond holders only in electronic form, at the e-mail addresses provided / registered by Members / Bond holders and made available to us by the Depositories (NSDL/CDSL). The members are advised to update by registering changes, if any, in their e-mail address, with the concerned Depository Participant.

Your Company shall also display full text of Notice of 39th AGM & Annual Report 2024-25 at its website http://mtnl.in/annual.html. We urge shareholders who have not yet registered their e-mail addresses to do so without delay. Shareholders who hold shares in Demat form can register their e-mail address with their respective DPs. For shareholders who hold shares in physical form, we kindly request that they register their e-mail addresses with the RTA by sending a signed letter, quoting their Folio Number details.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating efficiently.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Except for the effects / possible effects of the material weaknesses described by the Statutory Auditors in its Report on the Internal Financial Control under Section 143(3)(1) of the Companies Act, 2013 for the FY 2024-25 which is attached as annexure to the Independent Auditors Report which is part of the report on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the Standalone Ind-AS financial statements and such internal financial controls with reference to the Standalone Ind-AS financial statements were operating effectively as on March 31, 2025 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PUBLIC DEPOSITS

Your Company has not invited/ accepted any deposits under Section 73 & 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date on this account.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

The provisions of Section 197(12) of Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company as being a Govt. Company.

BUSINESS RESPONSIBILITY & SUSTAINABLITY REPORT (BRSR)

In accordance with Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, the Securities and Exchange Board of India ('SEBI'), in May 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ('BRSR'). BRSR is a notable departure from the existing Business Responsibility Report and a significant step towards giving platform to the Companies to report the initiatives taken by them in areas of Environment, Social and Governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to include BRSR Report in its Annual Report. As MTNL comes under top 1000 listed company, your Company has prepared BRSR Report for the FY 2024-25 which is given as annexure to this report.

STATUTORY AUDITORS

M/s S. L. Chhajed & Co. LLP, Chartered Accountants and M/s O. P. Bagla & Co. LLP, Chartered Accountants have been appointed as Joint Statutory Auditors of your Company by the Comptroller

and Auditor General (CAG) of India for the Financial Year 2024-25 and the Board has already ratified their appointment on 14.11.2024. The Auditors' Report is enclosed with the financial statements forming part of this Annual Report.

COST RECORD AND COST AUDITORS

During the year under review, in accordance with Section 148(1) of the Companies Act, 2013 the Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records are subject to audit by M/s R. M. Bansal & Co., Cost Auditors of the Company for FY 2024-25. The Board has re-appointed M/s R. M. Bansal & Co., Cost Accountants (Firm Registration Number: 000022) as Cost Auditors of the Company for conducting cost audit for FY 2025-26. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for FY 2025-26 is provided in the Notice of the ensuing Annual General Meeting. The Cost accounts and records as required to be maintained under Section 148 (1) of the Companies Act, 2013 are duly made and maintained by the Company. The Cost Audit Report alongwith the Annexures for the Financial Year 2023-24 have been submitted to the Central Government in the Form CRA 4 in XBRL format on MCA Portal on 17.10.2024.

SECRETARIAL AUDITORS

M/s R. P. Sehgal & Associates, Practicing Company Secretaries & Peer Reviewed Firm continues to be the Secretarial Auditor of the Company and has conducted the Secretarial Audit of the Company for the Financial Year 2024-25. The Secretarial Audit Report of M/s R. P. Sehgal & Associates are given in as annexure to this report. Further, the Board of Directors of MTNL in its meeting held on 28.05.2025, has recommended the appointment of M/s R. P. Sehgal & Associates, Practicing Company Secretaries as Secretarial Auditor of MTNL for a term of (5) consecutive year i.e. from FY 2025-26 to FY 2029-30 pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015 subject to the approval of the Shareholders in the ensuing 39th Annual General Meeting of MTNL. Brief profile and other relevant details of M/s R. P. Sehgal & Associates are provided in the Notice convening 39th AGM of MTNL. M/s R. P. Sehgal & Associates has consented to act as the Secretarial Auditor of the Company at a fees of Rs. 19,000/- per financial year exclusive of GST and confirmed that appointment, if approved, would be within the limits prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The firm has further confirmed that it is not disqualified to be appointed as the Secretarial Auditor under the applicable provisions of the Act, rules made thereunder, and SEBI (LODR) Regulations.

AUDITORS QUALIFICATIONS AND MANAGEMENT REPLY THERETO

The replies to the observation of the Statutory Auditors and Secretarial Auditor for the Financial Year 2024-25 are given as Annexure to the Report. The Comments of the Comptroller and Auditor General of India (CAG) on the Financial Statements and the replies of the Management thereon are also given in the Annexure to the Directors' Report.

FRAUD REPORTED BY AUDITORS

The Statutory Auditors nor the Secretarial Auditors of the Company have not reported any fraud during FY 2024-25 as specified under second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being enforce).

CRITERIA FOR DETERMINATING QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

(i) **Qualification: -** The Board of Directors of MTNL has formulated the job description for the posts of CMD and other Functional Directors. The selection of Whole time Directors is done by Public Enterprise Selection Board (PESB) on the basis of such criteria.

(ii) **Positive Attribute: -** Apart from the duties of Directors as prescribed in the Companies Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective code of conduct as applicable to them

(iii) **Independence: -** A Director is considered as independent if he/she meets the criteria laid down in Section 149(6) of the Companies Act, 2013 the Rules framed their under and Regulations 16(1)(b) of the SEBI (LODR) Regulations, 2015.

INDEPENDENT DIRECTOR

MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are done by the Administrative Ministry i.e. Department of Telecommunications (DoT), Ministry of Communications, Government of India. No separate meeting of Independent Directors was held during FY 2024-25 as there was only one Independent Director on the Board of MTNL from 02.11.2024 to 22.03.2025. Further, it is hereby informed that the tenure of four Independent Directors ended on 01.11.2024 and tenure of one remaining Independent Director ended on 23.03.2025. As on 31.03.2025, MTNL did not had any Independent Director including women Independent Director on its Board. Two Independent Directors including one-woman Independent Director were appointed by Government of India w.e.f. 15.04.2025.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Company has a very balanced and diversified Board of Directors with an optimum mix of Executive [represented by CMD, Director (HR & EB), Director (Finance) and Director (Technical)], Non-Executive [represented by Government Nominee Directors] and Independent Directors. As on 31.03.2025, MTNL had three Executive Directors and two Government Nominee Directors on its Board. There is no Independent Director and no Women Director on the Board of MTNL as on 31.03.2025.

In terms of the SEBI (LODR) Regulations, 2015, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's business for effective functioning. The key skills, expertise and core competencies of the Board of Directors are detailed in the Corporate Governance Report, which forms part of this Report.

List of Present Directors of MTNL as on 31.03.2025 & 31.07.2025 is given in the Corporate Governance Report.

During the period under report, the following changes took place in the Directorship/Key Managerial Personnel (KMP) of your Company: -

1. Shri P.K. Purwar ceases to be CMD of the Company w.e.f. 14.07.2024 vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-1-6/2018-PSA dated 13.07.2024.

2. Shri A. Robert J. Ravi, was appointed as CMD of the Company w.e.f. 15.07.2024 vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-1-6/2018-PSA dated 13.07.2024, Letter No. E-1-6/2018- PSA dated 16.01.2025, Letter No. E-1-6/2018- PSA dated 14.07.2025 & Letter No. E-1-6/2018- PSA dated 25.07.2025.

3. Shri V. Ramesh ceased to be Director (Technical) w.e.f. 31.07.2024 on account of superannuation.

4. Dr. Kalyan Sagar Nippani, was appointed as Director (Technical) vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-2-2/2021-PSA dated 05.08.2024 w.e.f. 01.08.2024. & Letter No. E-2-2/2021-PSA dated 02.12.2024. Vide Letter No. E-2-2/2021-PSA dated 07.05.2025 ceased to be Director (Technical) w.e.f. 09.05.2025. Also, he was appointed as Director (HR & EB) vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-2-3/2021-PSA dated 03.10.2024 w.e.f. 01.10.2024 & Letter No. E-2-3/2021- PSA dated 18.11.2024.

5. Shri Sandeep Govil ceased to be Director (HR & EB) w.e.f. 30.09.2024.

6. Shri Vishwas Pathak ceased to be Independent Director w.e.f. 01.11.2024 on account of completion of tenure vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 01.11.2021.

7. Shri Sarv Daman Bharat ceased to be Independent Director w.e.f. 01.11.2024 on account of completion of tenure vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 01.11.2021.

8. Shri Yogesh Kumar Tamrakar ceased to be Independent Director w.e.f. 01.11.2024 on account of completion of tenure vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 01.11.2021.

9. Ms. Deepika Mahajan ceased to be Independent Director w.e.f. 01.11.2024 on account of completion of tenure vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 01.11.2021.

10. Shri Niraj Verma ceased to be Government Nominee Director vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-2/2021-PSA dated 08.11.2024 w.e.f. 08.11.2024.

11. Shri Sunil Kumar Verma, was appointed Government Nominee Director vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-2/2021-PSA dated 08.11.2024 w.e.f. 08.11.2024.

12. Shri Rajiv Kumar, Director (Finance), tenure was extended for a further period of one year w.e.f. 01.12.2024 to 30.11.2025 or until further orders, whichever is earlier vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-1-5/2022-PSA 18.11.2024.

13. Shri Alok Shukla, Sr. DDG(Pers), DoT was appointed as Government Nominee Director vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-2/2021-PSA dated 30.01.2025 w.e.f. 30.01.2025.

14. Shri Sunil Kumar Verma, ceased to be Government Nominee Director vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-2/2021-PSA dated 30.01.2025 w.e.f. 30.01.2025.

15. Shri Piyush Ranjan Nishad ceased to be Independent Director w.e.f. 23.03.2025 on account of completion of tenure vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 23.03 2022.

Further, after 31.03.2025, the following changes took place in the Directorship/Key Managerial Personnel (KMP) of your Company: -

1. Shri Vishwas Pathak was appointed Independent Director vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 15.04.2025 w.e.f. 15.04.2025.

2. Ms. Deepika Mahajan was appointed Independent Director vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 15.04.2025 w.e.f. 15.04.2025.

3. Shri Sudhakararao Papa was appointed Director (Technical) vide Department of Telecommunications, Ministry of Communications, Government of India vide its Letter No. E-2-2/2021-PSA dated 07.05.2025 w.e.f. 09.05.2025.

4. Shri Sultan Ahmed ceases to be Chief Financial Officer (CFO) of the Company w.e.f. 28.05.2025.

5. Shri Anirudh Prasad Singh was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 28.05.2025.

Pursuant to the provisions of Section 2(51) and 203 of the Act, the Key Managerial Personnel (KMP) of your Company as on 31.03.2025 are: -

i) Shri Sultan Ahmed, Chief Financial Officer (CFO)

ii) Shri Ratan Mani Sumit, Company Secretary (CS)

Apart from the above, no other Director (including Independent Directors) or KMP were appointed or had retired or resigned during the FY 2024-25 and till the date of approval of Directors Report by the Board of Directors. Details of Composition of Board of Directors are given separately in the Corporate Governance Report which forms part of this Report.

RETIREMENT OF DIRECTORS BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with rules thereunder and Article 66 F of the Articles of Association of the Company, Dr. Kalyan Sagar Nippani, (DIN No. 10421277) Director (HR & EB) is liable to retire by rotation at the 39th Annual General Meeting to be held on 26.09.2025 and being eligible, offer themselves for reappointment. Brief particulars of Director seeking re-appointment together with their Directorships in other Companies and Committee Memberships have been given in the Annexure to the Notice of 39th Annual General Meeting in pursuance to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standards 2 issued by ICSI.

COMMITTEES OF THE BOARD

As required under the Act and SEBI (LODR) Regulations, 2015, your Company has constituted following Board Level Committees. Details of the Board Level Committee as on 31.03.2025 are given below:-

1. Audit Committees.
2. Nomination & Remuneration Committees.
3. Stakeholders Relationship Committee.
4. Enterprise Risk Management Committee
5. Corporate Social Responsibility Committee

Details of terms and reference of the Committees, Committees Membership changes and attendance of Directors at meeting of the Committees are provided in the Report on Corporate Governance, a part of this Annual Report.

GENERAL DISCLOSURES

Your directors' state that no disclosure or reporting is required in respect of the following items, as there were no transactions/events of these nature during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of your Company under any scheme.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operation in future.

4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by your Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Act).

5. No Application is pending against MTNL under the Insolvency and Bankruptcy Code, 2016.

6. One time settlement of loan obtained from the Banks or Financial Institutions.

7. Revision of financial statements and Directors' Report of your Company.

ACKNOWLEDGEMENT

Your Directors take this opportunity to gratefully acknowledge the help, guidance and support received from the Administrative Ministry i.e. Department of Telecommunications (DoT) and various Ministries of the Government of India. Your Directors' are especially grateful to its Bankers, Vendors, all Stakeholders and Investors including Bondholders, for their continued patronage and confidence reposed in the Company. The Directors would like to express their thanks for the sincere hard work and dedicated services rendered by every employee of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(A. ROBERT J. RAVI)
CHAIRMAN & MANAGING DIRECTOR

PLACE: NEW DELHI
DATE: 13.08.2025

ANNEXURE-I TO DIRECTORS' REPORT

R.P. Sehgal & Associates
Practicing Company Secretaries
(FCS, M.Com., D.L.L., LL.B, C.A.I.I.B., F.C.S.)
Email: sehgalrp@yahoo.co
M.No.: +91 9810076540/9810126612

F-7, Street No. 3,
Chander Nagar (West),
Delhi 110 051
FRN- S2015DE320200
P R -5495/2024

FORM MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahanagar Telephone Nigam Limited
Mahanagar Doorsanchar Sadan,
5th Floor, 9 CGO Complex Lodhi Road,
New Delhi – 110 003

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by **MAHANAGAR TELEPHONE NIGAM LIMITED** (CIN: L32101DL1986GOI023501) [a Listed Central Public Sector Enterprise (CPSE)] (hereinafter called "the Company" or "MTNL") for the Financial Year ended on 31st March 2025 ("Audit Period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the information provided by the Company and verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period ended on 31st March 2025 generally compiled with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period);

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(j) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) (LODR) Regulations, 2015 and

(vi) Other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their Sectors/Businesses are:

(a) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE) issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India vide their O.M. No. 18/(8)/2005-GM dated 14.05.2010 ('DPE Guidelines on Corporate Governance');

(b) The Telecom Regulatory Authority of India Act, 1997 (TRAI), Rules and Regulations and Amendments made there-under;

(c) The Indian Telegraph Act, 1885;

(d) The Indian Wireless Telegraphy Act, 1933;

(e) Information Technology Act, 2000 and the rules made thereunder.

We have also examined compliance with the applicable clause of the following Standards/ Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings;

(j) Listing Agreements entered into by the Company with NSE and BSE read with the SEBI (LODR) Regulations, 2015.

We hereby report that, during the period under review, the Company has complied with the provisions of the above Regulations and Circulars/Guidelines/Rules issued thereunder except in respect of matters specified below: -

i) *One Half of the Board was not comprised of Independent Directors from 01.04.2024 to 30.09.2024 and from 02.11.2024 to 31.03.2025. Further, Total Number of Directors was 5 (Five) from 24.03.2025 to 31.03.2025. Also, there was no Woman Independent Director/Woman Director from 02.11.2024 to 31.03.2025.*

ii) *The Board required 6 (Six) Independent Directors from 01.04.2024 to 30.09.2024 but it had only 5 (Five) Independent Directors on the Board during the period. Further, 4 (Four) Independent Directors completed their tenure on 01.11.2024. The Board required 5 (Five) Independent Directors from 02.11.2024 to 31.03.2025 but it had only 1 (One) Independent Director on the Board during the period from 02.11.2024 to 23.03.2025. From 24.03.2025 to 31.03.2025, there were No Independent Directors on the Board of MTNL.*

iii) *The Audit Committee did not comprise of minimum 2 (Two) Independent Directors as member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further, Audit Committee did not comprise of Minimum 3 Members from 02.11.2024 to 13.11.2024.*

iv) *The Nomination & Remuneration Committee did not comprise of minimum Two Independent Directors as member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further, Nomination & Remuneration Committee did not comprise of Minimum 3 Members from 02.11.2024 to 13.11.2024.*

v) *The Stakeholders Relationship Committee did not comprise of minimum One Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further, Stakeholders Relationship Committee did not comprise of Minimum 3 Members from 02.11.2024 to 13.11.2024.*

vi) *The Enterprise Risk Management Committee did not comprise of minimum One Independent Directors as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further, Enterprise Risk Management Committee did not comprise of Minimum 3 Members from 02.11.2024 to 13.11.2024.*

vii) *No Separate Meeting of Independent Directors was held during FY 2024-25.*

viii) *TRAI order dated 04.04.2025 for Rs 3,00,000/- Financial Disincentive imposed on MTNL for non-compliance of the provisions of the Quality of Service of Broadband Service Regulations, 2006 (11 of 2006) for the Quarter ending June 2024.*

ix) *TRAI order dated 06.05.2025 for Rs 3,00,000/- Financial Disincentive imposed on MTNL for non-compliance of the contravention of the provisions of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 (7 of 2009) for the Quarter ending June 2024.*

Also, as informed by the Company, MTNL has not paid Principal and Interest on all Bank loans except from Indian Overseas Bank from June 2024 onwards. It has not paid the interest on Indian Overseas Bank Loans from December 2024 onwards. All the loans accounts of MTNL have been declared as Non-Performing Assets (NPA) by the Banks. As a result, the Current Account of MTNL are freezed by the Banks.

MTNL is also unable to make payment of Interest/Redemption of Principal to Bonds holders from July 2024 onwards from its own source. As Bonds issued by the Company is Sovereign Guaranteed, Debenture Trustees has been issuing Notice for Invocation of Guarantee to Government of India. The Government of India has been funding the Escrow Account maintained with Bank of India for making Interest/Principal Repayment to Bondholders from July 2024 onwards.

We further report that

As informed by the Company and as per inspection of records, MTNL has a very balanced and diversified Board of Directors with an optimum mix of Executive [represented by CMD, Director (HR & EB), Director (Technical) and Director (Finance) and Non-Executive [represented by Government Nominee Directors and Independent Directors].

The Composition of the Board of Directors of MTNL as on March 31, 2025 is as follows:

Category of Directors	Board Structure	Actual Strength as on March 31, 2025
Chairman & Managing Director	1	1
Whole-time Executive (Functional) Directors)	3	2
Part-time Official Directors (Government Nominees) representing the Department of Telecommunication (DoT), Government of India	2	2
Part-time Non-official (Independent) Directors)	6	0
Total	**12**	**05**

MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, i.e. Department of Telecommunications, Ministry of Communications, Government of India. As on 31.03.2025, MTNL had three Executive Directors and two Government Nominee Directors on its Board. As on 31.03.2025, there was no Independent Directors including Women Director & Independent Women Director on the

Board of MTNL. The matter for appointment of Independent Directors including one Woman Independent Director has already been taken up with the Government of India.

Adequate notices were given to all Directors to schedule the Board Meetings in advance, agenda and detailed notes on agenda were sent in advance of the Meetings. System exists in the Company for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

All decisions of the Board and its Committee Meetings were carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee(s) of the Board as the case may be. No dissenting views of any Director were recorded in the minutes maintained by the Company.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. except the following: -

We further report that during the audit period, MTNL has not issued Bonds during FY 2024-25.

We further report that during the audit period, MTNL has also redeemed the following Bonds during FY 2024-25: -

Sl.No	ISIN	Series	No. Bonds	Face Value (in Rs)	Rate of Interest	Allotment Date	Maturity Date
1.	INE153A08048	IV A	14000	10,00,000	8.24%	19.11.2014	19.11.2024
2.	INE153A08063	IV C	7	1,00,000	8.24%	19.11.2014	19.11.2024
3.	INE153A08071	IV D	22689	10,00,000	8.29%	28.11.2014	28.11.2024

Total amount of Bonds redeemed during the FY 2025-25 is Rs. 3668.97 crores.

R.P. SEHGAL & ASSOCIATES
Company Secretaries
ICSI UIN: S2015DE320200
PEER REVIEW No. 5495/2024

(R.P. SEHGAL)
Membership No. FCS-1468
CP No. 14936 UDIN: F001468G000580882

Place: New Delhi
Date: 11.06.2025

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

ANNEXURE – A
ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

MAHANAGAR TELEPHONE NIGAM LIMITED
Mahanagar Doorsanchar Sadan,
5th Floor, 9 CGO Complex, Lodhi Road, New Delhi – 110 003

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial Records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of the account of the Company.
4. Wherever required, have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test-check basis.
6. As regards the books, papers, forms, reports and returns filed by the Company under the provisions referred in the Secretarial Audit Report, the adherence and compliance to the requirements of the said regulations is the responsibility of the management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

R.P. SEHGAL & ASSOCIATES
Company Secretaries
ICSI UIN: S2015DE320200
PEER REVIEW No. 5495/2024

(R.P. SEHGAL)
Membership No. FCS-1468
CP No. 14936
UDIN: F001468G000580882

Place: New Delhi
Date: 11.06.2025

ANNEXURE–II TO DIRECTORS' REPORT

Mritunjay Shekhar & Associates
Company Secretaries
Email: shekharmritunjay3@gmail.com
MNo. 9540043975/8076567045

311B , Vikas Surya Galaxy, Plot No. 09,
Sector-4, Dwarka, New Delhi-110078
Website: https://www.msaprofessional.com
FRN-S2018DE619000
P R -2919/2023

COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR FY 2024-25

To,

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

1. We have examined the compliance of the conditions of Corporate Governance by Mahanagar Telephone Nigam Limited ("the Company'') for the year ended on March 31, 2025, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter collectively referred to as "Listing Regulations") and also DPE Guidelines on Corporate Governance for CPSEs, 2010 as amended from time to time.

2. The compliance conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the Listing Regulations except that:

   x) One Half of the Board was not comprised of Independent Directors from 01.04.2024 to 30.09.2024 and from 02.11.2024 to 31.03.2025. Further, Total Number of Directors was 5 (Five) from 24.03.2025 to 31.03.2025. Also, there was no Woman Independent Director or Woman Director from 02.11.2024 to 31.03.2025.

   xi) The Board required 6 (Six) Independent Directors from 01.04.2024 to 30.09.2024 but it had only 5 (Five) Independent Directors on the Board during the period. Further, 4 (Four) Independent Directors completed their tenure on 01.11.2024. The Board required 5 (Five) Independent Directors from 02.11.2024 to 31.03.2025 but it had only 1 (One) Independent Director on the Board during the period from 02.11.2024 to 23.03.2025. From 24.03.2025 to 31.03.2025, there were No Independent Directors on the Board of MTNL.

xii) The Audit Committee did not comprise of minimum 2 (Two) Independent Directors as Member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman & Member from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025.

xiii) The Nomination & Remuneration Committee did not comprise of minimum 2 (Two) Independent Directors as Member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman & Member from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.

xiv) The Stakeholders Relationship Committee did not comprise of minimum 1(One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.

xv) he Enterprise Risk Management Committee did not comprise of minimum 1 (One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.

xvi) No Separate Meeting of Independent Directors was held during FY 2024-25.

We further state that the compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management conducted the affairs of the Company.

For MRITUNJAY SHEKHAR & ASSOCIATES
Company Secretaries

MRITUNJAY CHANDRA SHEKHAR
FCS No.: 12594
C P No.: 20871
UDIN: F012594G000114311

Place : New Delhi
Date : 15/04/2025

ANNEXURE–III TO DIRECTORS' REPORT

R.P. Sehgal & Associates
Practicing Company Secretaries
(FCS, M.Com., D.L.L., LL.B, C.A.I.I.B., F.C.S.)
Email: sehgalrp@yahoo.co
M.No.: +91 9810076540/9810126612

F-7, Street No. 3,
Chander Nagar (West),
Delhi 110 051
FRN- S2015DE320200
P R -5495/2024

SECRETARIAL COMPLIANCE REPORT OF MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **R.P. Sehgal & Associates, Company Secretaries** have examined:

(a) All the documents and records made available to us and explanations provided by **M/s Mahanagar Telephone Nigam Limited** ("the listed entity")

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) the website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended March 31, 2025 ("Review Period") in respect of compliance with the provisions of:-

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, Circulars, Guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) Securities and Exchange Board of India (Shares Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(h) other regulations as applicable

and Circulars/Guidelines thereunder;

and based on the above examination, and We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and Circulars/ Guidelines issued thereunder except in respect of matters specified below: -

SI No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Regulation 17(1) of SEBI(LODR) Regulation, 2015 – Composition of Board.	Regulation 17(1) of SEBI (LODR) Regulations, 2015.	Non-compliance with the requirements pertaining to the Composition of the Board of Directors i.e. Half of the Board was not comprised of Independent Directors during the period from 01.04.2024 to 30.09.2024. Further from 02.11.2024 to 31.03.2025, One Half of the Board was also not comprised of Independent Directors including one Women Director and One Women Independent Director.	BSE Limited & National Stock Exchange of India Limited ("BSE" and "NSE", respectively) for the period till 31.12.2024.	FINES	Non-Compliance with the requirements pertaining to the Composition of the Board of Directors i.e. Half of the Board was not comprised of Independent Directors from 01.04.2024 till 30.09.2024. Further from 02.11.2024 to 31.03.2025, One Half of the Board was also not comprised of Independent Directors including one Women Director and One Women Independent Director.	NSE and BSE has levied monetary fine(s) for non-compliance with the requirements pertaining to the Composition of the Board as per Regulation 17(1) of the SEBI LODR Regulations, 2015 for the period till 31.12.2024. Details of fine amount is given in Annexure I, II, III & IV to the Report.	As per the Information received from the Company, the Composition of Board of Directors is not in the terms of SEBI (LODR) Regulations,2015 from 01.04.2024 till 30.09.2024 and further from the period from 02.11.2024 to 31.03.2025.	Reply of MTNL is given in Annexure I, II, III IV & V to this Report	

SI No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
2.	Regulation 18(1) of SEBI(LODR) Regulation,2015 – Audit Committee Composition	Regulation 18(1) of SEBI (LODR) Regulations, 2015	Non-compliance with the Constitution of Audit Committee from 02.11.2024 to 31.03.2025	BSE Limited & National Stock Exchange of India Limited ("BSE" and "NSE", respectively) for the period till 31.12.2024.	FINE	Non-Compliance with the requirements pertaining to the Constitution of Audit Committee for the period from 02.11.2024 to 31.03.2025.	NSE and BSE has levied monetary fine(s) for non-compliance with the requirements pertaining to the Constitution of Audit Committee as per Regulation 18(1) of the SEBI LODR Regulations, 2015 for the period from 02.11.2024 till 31.12.2024. Details of Consolidated fine amount is given in Annexure IV to the Report.	As per the Information received from the Company, the Constitution of Audit Committee is not in the terms of Regulation 18 of SEBI (LODR) Regulations,2015 from 02.11.2024 till 31.03.2025.	Reply of MTNL is given in Annexure IV & V to this Report	

SI No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
3.	Regulation 19(1) & (2) of SEBI(LODR) Regulation, 2015 – Constitution of Nomination & Remuneration Committee	Regulation 19 (1) & (2) of SEBI (LODR) Regulations, 2015	Non-compliance with the Constitution of Nomination & Remuneration Committee from 02.11.2024 to 31.03.2025	BSE Limited & National Stock Exchange of India Limited ("BSE" and "NSE", respectively) for the period till 31.12.2024.	FINE	Non-Compliance with the requirements pertaining to the Constitution of Nomination & Remuneration Committee for the period from 02.11.2024 to 31.03.2025	NSE and BSE has levied monetary fine(s) for non-compliance with the requirements pertaining to the Constitution of Nomination & Remuneration Committee as per Regulation 19(1)/ (2) of the SEBI LODR Regulations, 2015 from 02.11.2024 till 31.12.2024. Details of Consolidated fine amount is given in Annexure IV to the Report.	As per the Information received from the Company, the Constitution of Nomination & Remuneration Committee is not in the terms of Regulation 19(1)/ (2) of SEBI (LODR) Regulations, 2015 from 02.11.2024 till 31.03.2025.	Reply of MTNL is given in Annexure IV & V to this Report	

SI No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
4.	Regulation 20(2) of SEBI(LODR) Regulation, 2015 – Constitution of Stakeholders Relationship Committee	Regulation 20(2) of SEBI(LODR) Regulation, 2015	Non-compliance with the Constitution of Stakeholders Relationship Committee from 02.11.2024 to 13.11.2024 and Further from the period from 24.03.2025 to 31.03.2025.	BSE Limited & National Stock Exchange of India Limited ("BSE" and "NSE", respectively) for the period till 31.12.2024.	FINE	Non-Compliance with the requirements pertaining to the Constitution of Stakeholders Relationship Committee from 02.11.2024 to 13.11.2024 and Further from the period from 24.03.2025 to 31.03.2025.	NSE and BSE has levied monetary fine(s) for non-compliance with the requirements pertaining to the Constitution of Stakeholders Relationship Committee as per Regulation 20(2) of SEBI(LODR) Regulation, 2015, from 02.11.2024 till 13.11.2024. Details of Consolidated fine amount is given in Annexure IV to the Report	As per the Information received from the Company, the Constitution of Stakeholders Relationship Committee is not in the terms of Regulation 20(2) of SEBI(LODR) Regulation, 2015 from 02.11.2024 to 13.11.2024 and Further from the period from 24.03.2025 to 31.03.2025.	Reply of MTNL is given in Annexure IV & V to this Report	

SI No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
5.	Regulation 21(2) of SEBI(LODR) Regulation, 2015 – Constitution of Risk Management Committee	Regulation 21(2) of SEBI(LODR) Regulation, 2015	Non-compliance with the Constitution of Risk Management Committee from 02.11.2024 to 13.11.2024 and Further from the period from 24.03.2025 to 31.03.2025.	BSE Limited & National Stock Exchange of India Limited ("BSE" and "NSE", respectively) for the period till 31.12.2024.	FINE	Non-Compliance with the requirements pertaining to the Constitution of Risk Management Committee from 02.11.2024 to 13.11.2024 and Further from the period from 24.03.2025 to 31.03.2025.	NSE and BSE has levied monetary fine(s) for non-compliance with the requirements pertaining to the Constitution of Risk Management Committee as per Regulation 21(2) of SEBI(LODR) Regulation, 2015 from 02.11.2024 till 13.11.2024. Details of Consolidated fine amount is given in Annexure IV to the Report	As per the Information received from the Company, the Constitution of Risk Management Committee is not in the terms of Regulation 21(2) of SEBI(LODR) Regulation, 2015 from 02.11.2024 to 13.11.2024 and Further from the period from 24.03.2025 to 31.03.2025.	Reply of MTNL is given in Annexure IV & V to this Report	

SI No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
6.	Regulation 25 (3) & (4) of SEBI(LODR) Regulation, 2015 - Meeting of Independent Directors	Regulation 25 (3) & (4) of SEBI(LODR) Regulation, 2015	Non-Compliance with the requirements pertaining to the Meeting of Independent Directors for the FY 2024-25	--------	--------	--------	--------	As per the Information received from the Company, no Meeting of Independent Directors was held as there was only one Independent Director on the Board of MTNL w.e.f. 02.11.2024 till 23.03.2025. Four Independent directors completed their tenure on 01.11.2024. As on 31.03.2025, there is no Independent Director on the Board of MTNL.	No Meeting of Independent Directors was held as there was only one Independent Director on the Board of MTNL w.e.f. 02.11.2024 till 23.03.2025. Four Independent directors completed their tenure on 01.11.2024. As on 31.03.2025, there is no Independent Director on the Board of MTNL.	

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

SI No.	Compliance Requirement (Regulations/ Circulars /guidelines including specific clause)	Regulation/ Circular no.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Regulation 17(1) of SEBI(LODR) Regulation,2015 – Composition of Board	Regulation 17(1) of SEBI (LODR) Regulations, 2015	Non-compliance with the requirements pertaining to the Composition of the Board of Directors during the review period	NSE & BSE	FINES	Please refer column No. 4, i.e. Deviation	NSE and BSE has levied monetary fine(s) of Rs. 43,18,800/-(inclusive of GST), for all the four quarters of FY 2023-24 for non-compliance with the requirements pertaining to the Composition of the Board as per Regulation 17(1) of the SEBI LODR Regulations, 2015.	The Company has not complied the said provision till date except from the period from 01.10.2024 till 01.11.2024.	The Company has requested the Administrative Ministry i.e. Department of Telecommunications (DoT), Ministry of Communications, Govt. of India to appoint Independent Directors on the Board of MTNL. Two Independent Directors were appointed on the Boad of MTNL w.e.f. 15.04.2025.	

(c) We hereby report that, during the Review Period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS*
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	YES	
2.	**Adoption and timely updation of the Policies:** All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & updated on time as per the regulations/ circulars/guidelines issued by SEBI.	YES	
3.	**Maintenance and disclosures on Website:** • The Listed Entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.	YES	
4.	**Disqualification of Director(s):** None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	YES	
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** a) Identification of material subsidiary companies. (b) Requirements with respect to Disclosure of Material as well as other Subsidiaries	NOT APPLICABLE	MTNL does not have any material subsidiary during FY 2024-25
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per policy of preservation of documents and archival policy prescribed under SEBI (LODR) Regulations, 2015.	YES	

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS*
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the board, independent directors and the committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	NOT APPLICABLE	MCA through General Circular dated 05/06/2015 has exempted Govt. Companies from the Provisions of Section 178(2) of the Companies Act 2013.
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of audit committee for all related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the audit committee.	YES	
9.	**Disclosure of Events or Information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) taken against the listed entity/ its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder or The actions taken against the listed entity/ its promoters/ directors /subsidiaries either by SEBI in Stock Exchanges are specified in the last column.	YES	Details given in the Annexure to the report.

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS*
12.	**Resignation of statutory auditors from the listed entity or its material subsidiaries:** In case of resignation of statutory auditors from the listed entity in any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary (ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter-V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NOT APPLICABLE	There is no resignation of statutory auditors from the listed entity during the Review Period. Further the listed entity does not have any material subsidiary company.
13.	**Additional Non-compliances, if any:** No additional non-compliance observed for any of the SEBI regulation/circular/guidance note etc. except as reported above.	NOT APPLICABLE	

**Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'*

Assumptions & Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

R.P. SEHGAL & ASSOCIATES
Company Secretaries

(R.P. SEHGAL)
Membership No. FCS-1468
CP No. 14936
FRN S2015DE320200
PEER REVIEW No. 5495/2024
UDIN: F001468G000161243

Place: New Delhi
Date: 21.04.2025

ANNEXURES TO ANNUAL SECRETARIAL COMPLIANCE REPORT OF M/s. MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE YEAR ENDED 31st MARCH 2025

ANNEXURE I

Clarifications submitted by MTNL for waiver of fines vide its Letter No. MTNL/SECTT/SE/2024 dated 24/05/2024 to NSE Letter No. NSE/LIST-SOP/COMB/FINES/0578 dated 22/05/2024 and BSE Email Ref. No. SOP-CReview-/Mar 24-Q dated 22/05/2024 regarding imposition of fines amounting to Rs 5,36,900/- (inclusive of GST) each by NSE and BSE respectively for Non Compliance with the requirements pertaining to the Composition of the Board is as follows: -

MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, Department of Telecommunications (DoT), Ministry of Communications, Government of India. For the Quarter ended 31.03.2024, MTNL had four Executive Directors, two Govt. Nominee Directors and five Independent Directors (including one Women Independent Director) on its Board. In order to comply with provisions of Regulation 17(1) of SEBI (LODR) 2015, we need six Independent Directors i.e. fifty percent of the total strength as we have six Directors (including four Functional and two Government Nominee Directors) including Executive Chairman and Managing Director. Hence, MTNL required one more Independent Director on its Board as on 31.03.2024 for which MTNL has already sent letter to the Administrative Ministry, Department of Telecommunications (DoT), Ministry of Communications, Government of India. Due to non-appointment of one more Independent Director, MTNL was not able to comply with the provisions relating to the Board Composition (Regulation 17) i.e. Half of the Board did not comprise of Independent Directors as on 31.03.2024.

ANNEXURE – II

Clarification submitted by MTNL for waiver of fines vide its Letter No. MTNL/SECTT/SE/2024 Dated 24/08/2024 to NSE Email/ Letter No. NSE/LIST-SOP/COMB/FINES/0958 dated 21/08/2024 and BSE Email Ref. No. SOP-CReview/Jun24-Q dated 21/08/2024 regarding imposition of fines amounting to Rs 5,36,900/- (inclusive of GST) each by NSE and BSE respectively for Non Compliance with the requirements pertaining to the Composition of the Board is as follows: -

MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, Department of Telecommunications (DoT), Ministry of Communications, Government of India. For the Quarter ended 30.06.2024, MTNL had four Executive Directors, two Govt. Nominee Directors and five Independent Directors (including one Women Independent Director) on its Board. In order to comply with provisions of Regulation 17(1) of SEBI (LODR) 2015, we need six Independent Directors i.e. fifty percent of the total strength as we have six Directors (including four Functional and two Government Nominee Directors) including Executive Chairman and Managing Director. Hence, MTNL required one more Independent Director on its Board as on 30.06.2024 for which MTNL has already sent letter to the Administrative Ministry, Department of Telecommunications (DoT), Ministry of Communications, Government of India. Due to non-appointment of one more Independent Director, MTNL was not able to comply with provisions relating to Board Composition (Regulation 17) i.e. Half of the Board did not comprise of Independent Directors as on 30.06.2024.

ANNEXURE – III

Clarifications submitted by MTNL for waiver of fines vide its Letter No. MTNL/SECTT/SE/2024 dated 25/11/2024 to NSE Email/Letter No. NSE/LIST-SOP/COMB/FINES/0340 dated 21/11/2024 and BSE Email Ref. No. SOP-CReview/Sep24-Q dated 21/11/2024 regarding imposition of fines amounting to Rs 82,600/- (inclusive of GST) each by NSE and BSE respectively for Non Compliance with the requirements pertaining to the Composition of the Board is as follows: -

MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry, Department of Telecommunications (DoT), Ministry of Communications, Government of India. For the Quarter ended 30.09.2024, MTNL had four Executive Directors, two Govt. Nominee Directors and five Independent Directors (including one Women Independent Director) on its Board. In order to comply with provisions of Regulation 17(1) of SEBI (LODR) 2015, we need six Independent Directors i.e. fifty percent of the total strength as we have six Directors (including four Functional and two Government Nominee Directors) including Executive Chairman and Managing Director. Hence, MTNL required one more Independent Director on its Board as on 30.09.2024 for which MTNL has already sent letter to the Administrative Ministry, Department of Telecommunications (DoT), Ministry of Communications, Government of India. Due to non-appointment of one more Independent Director, MTNL was not able to comply with provisions relating to Board Composition (Regulation 17) i.e. Half of the Board did not comprise of Independent Directors as on 30.09.2024.

ANNEXURE – IV

Clarification submitted by MTNL for waiver of fines vide its Letter No. MTNL/SECTT/SE/2025 dated 19/03/2025 to NSE Email/ Letter No. NSE/LIST SOP/COMB/FINES/0307 dated 17/03/2025 and BSE Email Ref. No. SOP-CReview/Dec24-Q dated 17/03/2025 regarding imposition of fines amounting to Rs. 6,93,840/- (inclusive of GST) each by NSE and BSE respectively for Non Compliance with the requirements pertaining to the Composition of the Board including failure to appoint woman director, Non Compliance with the Constitution of Audit Committee, Non Compliance with the Constitution of Nomination and Remuneration Committee, Non Compliance with the Constitution of Stakeholder Relationship Committee and Non Compliance with the Constitution of Risk Management Committee are as follows: -

1. **Provisions pertaining to Board Composition [Regulation 17(1)] -** MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry i.e. Department of Telecommunications (DoT), Ministry of Communications, Government of India. One Half of the Board comprised of Independent Directors from 01.10.2024 to 01.11.2024. There was Three (3) Executive Directors, Two (2) Govt. Nominee Directors and Five (5) Independent Directors from 01.10.2024 to 01.11.2024. Four Independent Directors ceased to be Directors of the Company on account of completion of their tenure on 01.11.2024. As of 02.11.2024, MTNL had only one Independent Director remaining on its Board. From 02.11.2024 till 31.12.2024, One Half of the Board did not comprise of Independent Directors. There was Three (3) Executive Directors, Two (2) Govt. Nominee Directors and One (1) Independent Director from 02.11.2024 to 31.12.2024. The

Board required 5 (Five) Independent Directors including 1 (one) Woman Independent Director from 02.11.2024 to 31.12.2024, but it had only 1 (One) Independent Director on the Board during the period which is non-compliance of Regulation 17(1)(b) of SEBI (LODR) 2015. Also, there is no Women Director and no Women Independent Director on the Board of MTNL w.e.f. 02.11.2024 which is non-compliance of Regulation 17(1)(a) of SEBI (LODR) 2015. The matter for appointment of four more Independent Directors including one Woman Independent Director has already been taken up with the Government of India.

2. **Provisions pertaining to Audit Committee Composition [Regulation 18(1)] -** Three Independent Directors i.e. Shri Vishwas Pathak, Ms. Deepika Mahajan and Shri Sarv Daman Bharat who were members of Audit Committee completed their tenure on 01.11.2024. As of 02.11.2024, MTNL had only one independent director remaining on its Board i.e. Shri Piyush Ranjan Nishad. The Board of Directors of MTNL in its meeting held on 14.11.2024 had reconstituted various Board Level Committees by including Shri Piyush Ranjan Nishad as Chairman & Member of Audit Committee. As on 31.12.2024, Audit Committee comprises of one Independent Director as Chairman and two Government Nominee Director as Members. The matter for appointment of Independent Directors has already been taken up with the Government of India.

3. **Provisions pertaining to Nomination and Remuneration Committee Composition [Regulation 19] -** Two Independent Directors i.e. Ms. Deepika Mahajan and Shri Sarv Daman Bharat who were members of Nomination and Remuneration Committee completed their tenure on 01.11.2024. Also, Shri Niraj Verma, Govt Nominee Director and Member of Nomination and Remuneration Committee ceased to be Director of the Company w.e.f. 08.11.2024 on account of withdrawal of nomination. As of 02.11.2024, MTNL had only one Independent Director remaining on its Board i.e. Shri Piyush Ranjan Nishad. The Board of Directors of MTNL in its meeting held on 14.11.2024 reconstituted various Board-level Committees, by including Shri Piyush Ranjan Nishad as Chairman & Member of Nomination and Remuneration Committee. As on 31.12.2024, Nomination and Remuneration Committee comprises of one Independent Director as Chairman and two Government Nominee Director as Members. The matter for appointment of Independent Directors has already been taken up with the Government of India.

4. **Provisions pertaining to Stakeholders Relationship Committee Composition [Regulation 20] -** One Independent Directors i.e. Shri Sarv Daman Bharat who was member of Stakeholders Relationship Committee completed his tenure on 01.11.2024, therefore there was no Independent Director and number of members was less than three in Stakeholders Relationship Committee from 02.11.2024 till 13.11.2024. Also, Shri Niraj Verma, Govt Nominee Director and Chairman & Member of Stakeholders Relationship Committee ceased to be Director of the Company w.e.f. 08.11.2024 on account of withdrawal of nomination. As of 02.11.2024, MTNL had only one Independent Director remaining on its Board i.e. Shri Piyush Ranjan Nishad. The Board of Directors of MTNL in its meeting held on 14.11.2024 had reconstituted various Board Level Committees by including Shri Piyush Ranjan Nishad

as Member of Stakeholders Relationship Committee. As on 31.12.2024, Stakeholders Relationship Committee comprises of one Government Nominee Director as Chairman and one Independent Director & one Executive Director as Members.

5. **Provisions pertaining to Risk Management Committee Composition [Regulation 21(2)] -** One Independent Director i.e. Shri Vishwas Pathak who was member of Risk Management Committee completed his tenure on 01.11.2024, therefore there was no Independent Director and number of members was less than three from 02.11.2024 till 13.11.2024. As of 02.11.2024, MTNL had only one Independent Director remaining on its Board i.e. Shri Piyush Ranjan Nishad. The Board of Directors of MTNL in its meeting held on 14.11.2024 had reconstituted various Board Level Committees by including Shri Piyush Ranjan Nishad as Member of Risk Management Committee. As on 31.12.2024, Risk Management Committee comprises of two Executive Director (one designated as Chairman) and one Independent Director as Member.

ANNEXURE – V

As on 31.03.2025, MTNL had three Executive Directors and two Govt. Nominee Directors on its Board. As on 31.03.2025, there was no Independent Directors including Women Director & Independent Women Director on the Board of MTNL. On 23.03.2025, Shri Piyush Ranjan Nishad, Independent Director ceases to be Independent Director on completion of tenure of three years. In order to comply with provisions of Regulation 17 of SEBI (LODR) 2015, MTNL required five Independent Directors i.e. fifty percent of the total strength as we have five directors (including three Functional and two Government Nominee Directors) including Executive Chairman. The matter for appointment of Independent Directors has already been taken up with the Government of India.

R.P. SEHGAL & ASSOCIATES
Company Secretaries

(R.P. SEHGAL)
Membership No. FCS-1468, CP No. 14936
FRN S2015DE320200
PEER REVIEW No. 5495/2024
UDIN: F001468G000161243

Place: New Delhi
Date: 21.04.2025

R.P. Sehgal & Associates
Practicing Company Secretaries
(FCS, M.Com., D.L.L., LL.B, C.A.I.I.B., F.C.S.)
Email: sehgalrp@yahoo.co
M.No.: +91 9810076540/9810126612

F-7, Street No. 3,
Chander Nagar (West),
Delhi 110 051
FRN- S2015DE320200
P R -5495/2024

ADDENDUM TO SECRETARIAL COMPLIANCE REPORT OF MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **R.P. Sehgal & Associates, Company Secretaries** hereby further report that, during the Review Period the compliance status of the listed entity with the following requirements:

We further, report that the listed entity is in compliance/ not in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations. (In case of Not Applicable- NA to be mentioned) **– NOT APPLICABLE**

(Note: In case of non-compliance, details of such non-compliance need to be mentioned)

The Addendum to Secretarial Compliance Report of Mahanagar Telephone Nigam Limited for the Financial Year ended March 31, 2025 may be treated as a part of Secretarial Compliance Report of Mahanagar Telephone Nigam Limited for the Financial Year ended March 31, 2025 issued to Mahanagar Telephone Nigam Limited dated 21.04.2025.

R.P. SEHGAL & ASSOCIATES
Company Secretaries

(R.P. SEHGAL)
Membership No. FCS-1468, CP No. 14936
FRN S2015DE320200
PEER REVIEW No. 5495/2024

Place: New Delhi
Date: 19th May 2025

ANNEXURE–IV TO DIRECTORS' REPORT

REPLY OF MTNL TO QUALIFICATIONS IN SECRETARIAL AUDIT REPORT, COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AND ANNUAL SECRETARIAL COMPLIANCE REPORT OF MTNL FOR FINANCIAL YEAR 2024-25

S. No.	Qualifications	Observations/Remarks of the Company
1.	One Half of the Board was not comprised of Independent Directors from 01.04.2024 to 30.09.2024 and from 02.11.2024 to 31.03.2025. Further, Total Number of Directors was 5 (Five) from 24.03.2025 to 31.03.2025. Also, there was no Woman Independent Director or Woman Director from 02.11.2024 to 31.03.2025.	As on 31.03.2025, MTNL had three Executive Directors and two Govt. Nominee Directors on its Board. As on 31.03.2025, there was no Independent Director including Women Director & Independent Women Director on the Board of MTNL. On 23.03.2025, Shri Piyush Ranjan Nishad, Independent Director ceases to be Independent Director of the Company on completion of tenure of three years. In order to comply with provisions of Regulation 17(1) & 17(1E) of SEBI (LODR) Regulations, 2015, we need five Independent Directors i.e. fifty percent of the total strength as we have five directors (including three Functional and two Government Nominee Directors) including Executive Chairman. In the circumstances, MTNL needs five Independent Directors including one Women Independent Director on its Board. The matter for appointment of Independent Directors has already been taken up with the Government of India.
2.	The Board required 6 (Six) Independent Directors from 01.04.2024 to 30.09.2024 but it had only 5 (Five) Independent Directors on the Board during the period. Further, 4 (Four) Independent Directors completed their tenure on 01.11.2024. The Board required 5 (Five) Independent Directors from 02.11.2024 to 31.03.2025 but it had only 1 (One) Independent Director on the Board during the period from 02.11.2024 to 23.03.2025. From 24.03.2025 to 31.03.2025, there were No Independent Directors on the Board of MTNL.	
3.	The Audit Committee did not comprise of minimum 2 (Two) Independent Directors as Member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman & Member from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025.	W.e.f. 02.11.2024, after the completion of tenure of four Independent Directors on the Board of MTNL, MTNL had only one Independent Director on its Board. The Audit Committee was reconstituted on 14.11.2024 with one Independent Director and two Government Nominee Director. After cessation of Shri Piyush Ranjan Nishad as Independent Director w.e.f. 23.03.2025, there is no Independent Director remaining in the Audit Committee from 24.03.2025 till 31.03.2025. The matter for appointment of Independent Directors has already been taken up with the Government of India.

S. No.	Qualifications	Observations/Remarks of the Company
4.	The Nomination & Remuneration Committee did not comprise of minimum 2 (Two) Independent Directors as Member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman & Member from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.	W.e.f. 02.11.2024, after the completion of tenure of four independent directors on the Board of MTNL, MTNL had only one independent director on its Board. The Nomination and Remuneration Committee was reconstituted on 14.11.2024 with one Independent Director as Chairman and two Government Nominee Director as Members. After cessation of Shri Piyush Ranjan Nishad as Independent Director w.e.f. 23.03.2025, there is no Independent Director remaining in the Nomination & Remuneration Committee from 24.03.2025 till 31.03.2025. The matter for appointment of Independent Directors has already been taken up with the Government of India.
5.	The Stakeholders Relationship Committee did not comprise of minimum 1(One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.	The Stakeholders Relationship Committee did not comprise of minimum 1 (One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024. The matter for appointment of Independent Directors has already been taken up with the Government of India.
6.	The Enterprise Risk Management Committee did not comprise of minimum 1 (One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.	The Enterprise Risk Management Committee did not comprise of minimum 1 (One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024. The matter for appointment of Independent Directors has already been taken up with the Government of India.
7.	No Separate Meeting of Independent Directors was held during FY 2024-25.	On 01.11.2024, four Independent Directors completed their tenure of three years. On 23.03.2025, remaining one Independent Director also completed his tenure. As there was only one Independent Director from 02.11.2024 till 23.03.2025, no meeting of Independent Directors was held during FY 2024-25.
8.	Imposition of Financial Disincentive (FD) by Telecom Regulatory Authority of India (TRAI)	TRAI issues Show Cause Notice after submission of Performance Monitoring Reports (PMRs) by MTNL for not achieving the set benchmarks of parameters in any of Basic, BB and WS services as per Regulations/Directions. Thereafter the Financial Disincentive (FD) orders are imposed by the Authority if not satisfied with the Show Cause Notice reply by MTNL.

ANNEXURE–V TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2025

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) **CIN: -** L32101DL1986GOI023501

ii) **Registration Date:-** 28th February, 1986

iii) **Name of the Company: -**Mahanagar Telephone Nigam Limited

iv) **Category/ Sub-Category of the Company: -** Government Company (CPSE)

v) **Address of the Registered office and contacts details:-** Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110 003, Tel:- 011-24319020, Fax 011- 24324243, www.mtnl.in, Email id: mtnlcsco@gmail.com, mtnlcsco@bol.net.in

vi) **Whether Listed Company Yes / No: -** Yes

vii) **Name, Address and Contact Details of Registrar and Transfer Agent, If any: -** M/s Beetal Financial and Computer Services (Pvt) Ltd., 3rd Floor, Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062, Ph: 011-42959000-009, Email ID: beetalrta@gmail.com, beetal@beetalfinancial.com, website: www.beetalfinancial.com .

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business contributing 10% or more of the total turnover of the company shall be stated: -

S. No.	Name and Description of the main Products/ Services	NIC Code of the Product/services	% to Total turnover of the Company
1	Telecommunication Service	611, 612	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No	Name and Address of the Company	CIN/GIN	Holding / Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Mahanagar Telephone Mauritius Limited (MTML) MTML Square, 63, Cyber City, Ebene City, Mauritius	N.A.	Wholly Owned Overseas Subsidiary	100%	2 (87)

Sl. No	Name and Address of the Company	CIN/GIN	Holding / Subsidiary/ Associate	% of Shares Held	Applicable Section
2	Millennium Telecom Ltd. (MTL) Room No. 4208, 4th Floor Mahanagar Doorsanchar Sadan, 9 CGO Complex, Lodhi Road, New Delhi-110003.	U64200DL2000GOI333459	Wholly Owned Indian Subsidiary	100%	2 (87)
3	MTNL STPI IT Services Ltd. (MSITS), Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110003	U72901DL2006PLC148310	Joint Venture	50%	2(6)
4	United Telecommunications Ltd. (UTL) Triveni Complex, Putali Sadak, Kathmandu (Nepal).	N.A.	Associate	26.68%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the Beginning of the Year i.e. 01/04/2024				No. of Shares held at the end of the Year i.e. 31/03/2025				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A) Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0		0	0.00	0
b) Central govt/ State Govt(s)	354378740	0	354378740	56.25	354378740	0	354378740	56.25	0
Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (A) (1):-	**354378740**	**0**	**354378740**	**56.25**	**354378740**	**0**	**354378740**	**56.25**	**0**

Category of Shareholders	No. of Shares held at the Beginning of the Year i.e. 01/04/2024				No. of Shares held at the end of the Year i.e. 31/03/2025				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
c) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
d) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**354378740**	**0**	**354378740**	**56.25**	**354378740**	**0**	**354378740**	**56.25**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	100	4400	4500	0.00	100	4400	4500	0.00	0
b) Banks/ FI/ Insurance Companies	85876976	2200	85879176	13.63	84755230	2200	84757430	13.45	-0.18
c) Central Govt/ State Govt.	3500	0	3500	0.00	9500	0	9500	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Foreign Fin Inst./ Banks/ Foreign Portfolio Investors	3468127	600	3468727	0.55	862430	600	863030	0.14	-0.4
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
h) Others(Specify)	0	0	0	0.00	0	0	0	0.00	0
(i)Stressed Asset	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (B)(1):-	**89348703**	**7200**	**89355903**	**14.18**	**85627260**	**7200**	**85634460**	**13.59**	**-0.6**
2. Non Institutions									
a) Bodies Corp. (Indian & Overseas)	14447262	6000	14453262	2.29	7545001	6000	7551001	1.20	-1.1
b) Individuals									
(i) Individual Shareholders holding nominal Share Capital Upto Rs. 2 lakh	97709673	49797	97759470	15.52	130753089	48930	130802019	20.76	5.24
(ii) Individual Shareholders holding nominal Share Capital in excess of Rs. 2 lakh	61941407	49517	61990924	9.84	41595437	49517	41644954	6.61	-3.2
c) Others (Specify)	5000	0	5000	0.00	0	0	0	0.00	-0
Trusts	486107	0	486107	0.08	355353	0	355353	0.06	-0

Category of Shareholders	No. of Shares held at the Beginning of the Year i.e. 01/04/2024				No. of Shares held at the end of the Year i.e. 31/03/2025				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0
NRI & Foreign Corporate Bodies	2047432	0	2047432	0.32	2281263	0	2281263	0.36	0.04
c-ii) Clearing Members	17189	0	17189	0.00	318735	0	318735	0.05	0.05
HUF	9505973	0	9505973	1.51	7033475	0	7033475	1.12	-0.4
Sub-Total (B)(2):-	**186160043**	**105314**	**186265357**	**29.57**	**189882353**	**104447**	**189986800**	**30.16**	**0.59**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**275508746**	**112514**	**275621260**	**43.75**	**275509613**	**111647**	**275621260**	**43.75**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
Grand Total (A+B+C)	**629887486**	**112514**	**630000000**	**100.00**	**629888353**	**111647**	**630000000**	**100.00**	**0**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year as on 01.04.2024			Shareholding at the End of the Year as on 31.03.2025			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Pledged/ Encumbered to Total Shares	% Change in Shareholding during the Year
1.	President of India	354378740	56.25	Nil	354378740	56.25	Nil	Nil
	TOTAL	**354378740**	**56.25**	**Nil**	**354378740**	**56.25**	**Nil**	**Nil**

iii) Change In Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the Beginning of the Year as on 01.04.2024		Cumulative Shareholding during the Year (2024 - 25)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the Beginning of the Year (as on 01.04.2024)	354378740	56.25	354378740	56.25
2	Date wise Increase/ Decrease in Promoters Shareholding during the Year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	N.A.	___	N.A.	___
3	At the End of the Year (as on 31.03.2025)	354378740	56.25	354378740	56.25

#There is no change in the Total Shareholding of Promoters i.e. President of India between 01.04.2024 and 31.03.2025 (during FY 2024 - 25).

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name	Shareholding at the beginning of the year as on 01.04.2024					Cumulative Shareholding during the year (2024-25)	
		No. of Shares at the beginning of the year (01.04.2024) end of the year (31.03.2025)	% of total shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of Shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	82659957	13.1206	30-Mar-24		NIL MOVEMENT DURING THE YEAR	82659957	13.1206
		82659957	13.1206	31-Mar-25			82659957	13.1206
2	RAJESH KUMAR SAHU	2000000	0.3175	30-Mar-24				0
			0	27-Sep-24	40000	Purchase	2040000	0.3238
			0	11-Oct-24	33000	Purchase	2073000	0.329
			0	01-Nov-24	6000	Purchase	2079000	0.33
			0	17-Jan-25	44000	Purchase	2123000	0.337
		2123000	0.337	31-Mar-25			2123000	0.337
3	SHAILESH BABALAL SHAH	700000	0.1111	30-Mar-24				0
			0	30-Aug-24	-655000	Sell	45000	0.0071
			0	11-Oct-24	9000	Purchase	54000	0.0086
			0	21-Feb-25	900	Purchase	54900	0.0087
			0	21-Mar-25	1683000	Purchase	1737900	0.2759
		1737900	0.2759	31-Mar-25			1737900	0.2759
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	1524544	0.242	30-Mar-24				0
			0	19-Jul-24	-130000	Sell	1394544	0.2214
			0	26-Jul-24	-40000	Sell	1354544	0.215
		1354544	0.215	31-Mar-25			1354544	0.215
5	RAVIKUMAR RAMKISHORE SANWALKA	1060000	0.1683	30-Mar-24		NIL MOVEMENT DURING THE YEAR	1060000	0.1683
		1060000	0.1683	31-Mar-25			1060000	0.1683
6	JITENDRA SAMPATLAL SANGHAVI	879925	0.1397	30-Mar-24				0

Sl No.	Name	Shareholding at the beginning of the year as on 01.04.2024					Cumulative Shareholding during the year (2024-25)	
		No. of Shares at the beginning of the year (01.04.2024) end of the year (31.03.2025)	% of total shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of Shares	% of total shares of the Company
			0	02-Aug-24	-15000	Sell	864925	0.1373
			0	06-Sep-24	15000	Purchase	879925	0.1397
		879925	0.1397	31-Mar-25			879925	0.1397
7	HITESH RAMJI JAVERI	850000	0.1349	30-Mar-24		NIL MOVEMENT DURING THE YEAR	850000	0.1349
		850000	0.1349	31-Mar-25			850000	0.1349
8	RAMESH BABALAL SHAH	767975	0.1219	30-Mar-24		NIL MOVEMENT DURING THE YEAR	767975	0.1219
		767975	0.1219	31-Mar-25			767975	0.1219
9	MAHESH VITHALDAS DEVANI	700000	0.1111	30-Mar-24				0
			0	12-Jul-24	-40	Sell	699960	0.1111
		699960	0.1111	31-Mar-25			699960	0.1111
10	THE ORIENTAL INSURANCE COMPANY LIMITED	692970	0.11	30-Mar-24				0
			0	06-Sep-24	-10000	Sell	682970	0.1084
			0	13-Sep-24	-18500	Sell	664470	0.1055
			0	20-Sep-24	-21500	Sell	642970	0.1021
		642970	0.1021	31-Mar-25			642970	0.1021

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year as on 01.04.2024		Cumulative Shareholding during the year (FY 2024-25)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	A. Robert J. Ravi, CMD (Was Appointed CMD w.e.f. 15.07.2024)	NIL		NIL	
2.	Pravin Kumar Purwar, CMD (Ceased to be CMD w.e.f. 14.07.2024)	NIL		NIL	
3.	Rajiv Kumar, Director (Finance)	NIL		NIL	
4.	V Ramesh Director (Technical) (Ceased to be Director w.e.f. 31.07.2024)	NIL		NIL	
5.	Sandeep Govil, Director (HR & EB) (Ceased to be Director w.e.f. 30.09.2024)	NIL		NIL	

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year as on 01.04.2024		Cumulative Shareholding during the year (FY 2024-25)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
6.	Dr Kalyan Sagar Nippani, Director (HR & EB) [Appointed Director (HR & EB) w.e.f. 01.10.2024 & Was Director (Technical) from 01.08.2024 till 09.05.2025]	NIL		NIL	
7.	Sunil Kumar Verma, Government Nominee Director (Was Appointed to be Director w.e.f. 08.11.2024 and Ceased to be Director w.e.f. 30.01.2025)	NIL		NIL	
8.	Shivendu Gupta, Government Nominee Director	NIL		NIL	
9.	Niraj Verma, Government Nominee Director (Ceased to be Director w.e.f. 08.11.2024)	NIL		NIL	
10.	Alok Shukla, Government Nominee Director (Was Appointed Director w.e.f. 30.01.2025)	NIL		NIL	
11.	Vishwas Pathak, Independent Director (Ceased to be Director w.e.f. 01.11.2024 and was re-appointed Director w.e.f. 15.04.2025)	NIL		NIL	
12.	Deepika Mahajan, Independent Director (Ceased to be Director w.e.f. 01.11.2024 and was re-appointed Director w.e.f. 15.04.2025)	NIL		NIL	
13.	Sarv Daman Bhagat, Independent Director (Ceased to be Director w.e.f. 01.11.2024)	NIL		NIL	
14.	Yogesh Kumar Tamrakar, Independent Director (Ceased to be Director w.e.f. 01.11.2024)	NIL		NIL	
15.	Piyush Ranjan Nishad, Independent Director (Ceased to be Director w.e.f. 23.03.2025)	NIL		NIL	
16.	Sultan Ahmed, CFO (Ceased to be CFO w.e.f. 28.05.2025)	NIL		NIL	
17.	Ratan Mani Sumit, Company Secretary	5	NIL	5	NIL

V. INDEBTEDNESS

(a) Indebtedness of the Company including interest outstanding/accrued but not due for payment during F.Y. 2024 - 25 as per Ind AS **(in Crores)**

	Secured Loans Excluding Deposits (Ltl)	Unsecured Loans Bond+Stl+Od	Deposits	Total Indebtness
Indebtedness at the beginning of the Financial Year as on 01.04.2024				
i) Principal Amount	2,802.35	27,225.47		30,027.82
ii) Interest due but not paid				
iii) Interest accrued but not due	0.68	586.88		587.56
Total (i+ii+iii)	**2,803.03**	**27,812.35**		**30,615.38**
Change in Indebtedness during the Financial Year 2024-25				
Addition		2598.25		2598.25
Reduction	45.06			45.06
Net Change	45.06	2598.25		2553.19

	Secured Loans Excluding Deposits (Ltl)	Unsecured Loans Bond+Stl+Od	Deposits	Total Indebtness
Indebtedness at the end of the Financial Year as on 31.03.2025				
i) Principal Amount	2544.36	29823.34		32367.70
ii) Interest due but not paid				
iii) Interest accrued but not due	213.60	587.27		800.87
Total (i+ii+iii)	**2757.96**	**30410.61**		**33168.57**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole – time Directors and/or Manager during the F.Y. 2024-25:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount In Rupees
		P.K. Purwar, CMD (Ceased to be CMD w.e.f. 14.07.2024)	A. Robert J. Ravi (Was Appointed as CMD w.e.f. 15.07.2024)	Sandeep Govil Director (HR & EB) (Ceased to be Director w.e.f. 30.09.2024)	V. Ramesh, Director (Technical) (Ceased to be Director w.e.f. 31.07.2024)	Rajiv Kumar, Director (Finance)	Dr. Kalyan Sagar Nippani Director (HR & EB) [Appointed Director (HR & EB) w.e.f. 01.10.2024 & Was Director (Technical) from 01.08.2024 till 09.05.2025]	
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 Value of perquisites u/s 17(2) Income –tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Ceiling as per the Act							

B. Remuneration to other Directors during the FY 2024 -25 :-

S. No.	Particulars of Remuneration	Name of Independent Directors				
1.	Independent Directors	Deepika Mahajan (Ceased to Director w.e.f. 01.11.2024 and was re appointed w.e.f. 15.04.2025)	Sarv Daman Bharat (Ceased to Director w.e.f. 01.11.2024)	Vishwas Pathak (Ceased to Director w.e.f. 01.11.2024 was re appointed w.e.f. 15.04.2025)	Yogesh Kumar Tamrakar (Ceased to Director w.e.f. 01.11.2024)	Piyush Ranjan Nishad (Ceased to Director w.e.f. 23.03.2025)
2.	Fee for attending Board and its Committee Meetings, Commission, Others, please specify	50000	50000	50000	NIL*	80000
	Total (1)	**50000**	**50000**	**50000**	**NIL**	**80000**
3.	Other Non-Executive Directors	Niraj Verma (Ceased to Director w.e.f. 08.11.2024)	Shivendu Gupta	Sunil Kumar Verma (Was Appointed Director w.e.f. 08.11.2024 and Ceased to be Director w.e.f. 30.01.2025)	Alok Shukla (Was Appointed Director w.e.f. 30.01.2025)	
4.	Fee for attending Board Committee Meetings, Commission, Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total (B) = (1+2)	**50000**	**50000**	**50000**	**NIL**	**80000**
	TOTAL MANAGERIAL REMUNERATION (A+B) Rs.					**2,30,000**
		Overall Ceiling as per the Act				

*Shri Yogesh Tamrakar, Independent Directors of MTNL has relinquished their right to receive the sitting fees for attending the Board and its Committee Meetings.

Remuneration to Key Managerial Personnel other than MD/Manager/WTD during the FY 2024-25: -

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (CFO) Sultan Ahmed (Ceased to be CFO w.e.f. 28.05.2025)	**Company Secretary (CS) Ratan Mani Sumit**	**Total (Amount in Rs)**
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income – Tax Act, 1961 Value of perquisites u/s 17(2) Income-Tax Act, 1961	35,80,832/- 61,638/-	20,62,919/- 35,355/-	56,43,751/- 96,993/-
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission as % of Profit Others, specify	NIL	NIL	NIL
5.	Others, please specify	-	-	NIL
	Total	**36,42,470**	**20,98,274**	**57,40,744**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES DURING THE FY 2024-25:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [Rd/Nclt/ Court]	Appeal made, if any (give details)
COMPANY					
Penalty					
Compounding					
DIRECTORS					
Penalty					
Punishment					
Compounding			NIL		
OTHER OFFICERS IN DEFAULT					
Penalty					
Compounding					

ANNEXURE–VI TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2024-25

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance refers to the set of principles, values, processes that guide the management and board of a company. It is essential for the long- term success of a business, as it ensures accountability, transparency, and ethical decision-making. The foundation of a successful enterprise is built on excellent corporate governance practices, and strong leadership is vital to this end.

The Company's philosophy on Corporate Governance ensures transparency in its affairs and the functioning of the Management and the Board and accountability towards its stakeholders. It also encompasses the oversight of business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company recognizes that corporate governance is not just a principle to be followed but a way of life embedded in its behavior and culture. It endeavors to adopt the industry's best practices, focusing on transparency in its affairs, the functioning of the Management and Board, and accountability towards stakeholders. The Company's philosophy ensures that it creates sustainable value for shareholders while fulfilling social obligations and complying with regulatory requirements. The Company's policies prioritize the augmentation of long-term shareholder value while maintaining integrity.

The Companies Act, 2013 together with the Companies Rules and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] applicable for all listed entities including MTNL provide a robust framework for Corporate Governance. MTNL is complying with relevant provisions of the Companies Act, 2013, Rules made there under and SEBI (LODR) Regulations, 2015 for good Corporate Governance. As MTNL being a Public Sector Undertaking (PSU), is also complying with the Guidelines on Corporate Governance for Central Public Sector Enterprise (CPSE) issued by the Department of Public Enterprises (DPE), Ministry of Finance, Government of India.

2. BOARD OF DIRECTORS

(I) Composition and Size of the Board

The Composition of the Board of Directors as on 31.03.2025 is as follows:

Category of Directors	Board Structure	Actual Strength as on 31.03.2025
Chairman & Managing Director	1	1
Whole-time Executive (Functional) Directors	3	2
Part-time Official Directors (Government Nominees) representing the Department of Telecommunication (DoT), Ministry of Communications, Government of India	2	2
Part-time Non-official (Independent) Directors	6	0
Total	**12**	**05**

The Company has a very balanced and diversified Board of Directors with an optimum mix of Executive [represented by CMD, Director (HR & EB), Director (Technical) and Director (Finance) and Non-Executive [represented by Government Directors and Independent Directors]. As on 31.03.2025, MTNL had three Executive Directors and two Government Nominee Directors on its Board. As on 31.03.2025, there was no Independent Directors including Women Director & Independent Women Director on the Board of MTNL. 40% of the Board is represented by Non-Executive Directors and 60% by Executive Directors. Details of appointments /re-appointments of Directors during the Financial Year 2024-25 are provided in Board's Report.

As on 31.03.2025, the Composition of the Board was not in conformity with Regulations 17 of SEBI (LODR) Regulations, 2015 read with Section 149 of the Companies Act 2013 and DPE Guidelines on Corporate Governance. One Half of the Board was not comprised of Independent Directors from 01.04.2024 to 30.09.2024 and from 02.11.2024 to 31.03.2025. Further, Total Number of Directors was 5 (Five) from 24.03.2025 to 31.03.2025. Also, there was no Woman Independent Director or Woman Director from 02.11.2024 to 31.03.2025. The Board required 6 (Six) Independent Directors from 01.04.2024 to 30.09.2024 but it had only 5 (Five) Independent Directors on the Board during the period. Further, 4 (Four) Independent Directors completed their tenure on 01.11.2024. The Board required 5 (Five) Independent Directors from 02.11.2024 to 31.03.2025 but it had only 1 (One) Independent Director on the Board during the period from 02.11.2024 to 23.03.2025. From 24.03.2025 to 31.03.2025, there were no Independent Directors on the Board of MTNL as the remaining one Independent Director completed his tenure on 23.03.2025.

MTNL is a Public Sector Undertaking. All appointments including Independent Directors on the Board are made by the Administrative Ministry i.e. Department of Telecommunications, Ministry of Communications, Government of India. The matter for appointment of Independent Directors including Woman Independent Director has already been taken up with the Government of India.

(A) List of Directors in MTNL and their Directorship in other Companies as on 31.03.2025 is given below:-

Sl. No.	Name	Din	Category	Details of Directorship in Other Companies
1.	A. Robert J. Ravi, CMD (Appointed CMD w.e.f. 15.07.2024)	10095013	Executive	1. Bharat Sanchar Nigam Limited (BSNL) – CMD 2. Bharat Broadband Network Limited (BBNL) – CMD 3. BSNL Tower Corporation Ltd – Chairman & Nominee Director 4. MTNL STPI IT Services Ltd. (MSITS) – Chairman & Nominee Director 5. Mahanagar Telephone Mauritius Ltd (MTML) - Chairman & Director 6. United Telecom Limited (Nepal)- Nominee Director

Sl. No.	Name	Din	Category	Details of Directorship in Other Companies
2.	Dr Kalyan Sagar Nippani, Director (HR&EB) [Appointed Director (HR & EB) w.e.f. 01.10.2024 & Was Director (Technical) from 01.08.2024 till 09.05.2025]	10421277	Executive	1. Bharat Sanchar Nigam Limited (BSNL) – Director (HR) 2. BSNL Tower Corporation Limited - Nominee Director 3. MTNL STPI IT Services Ltd. – Nominee Director
3.	Rajiv Kumar, Director (Finance)	09811051	Executive	1. Bharat Sanchar Nigam Limited (BSNL)- Director (Finance) 2. Bharat Broadband Network Limited- Director (Finance) 3. BSNL Tower Corporation Ltd – Nominee Director 4. MTNL STPI IT Services Ltd. – Nominee Director
4.	Alok Shukla, Government Nominee Director (Appointed Director w.e.f. 30.01.2025)	10849459	Non-Executive	1. Bharat Sanchar Nigam Limited (BSNL) – Government Nominee Director
5.	Shivendu Gupta, Government Nominee Director	09850201	Non-Executive	1. Bharat Sanchar Nigam Limited (BSNL) - Government Nominee Director

(B) List of Directors in MTNL who Retired during the Period 01.04.2024 To 31.03.2025

Sl. No.	Name of the Director	Category	Date of Cessation
1.	P.K. Purwar	CMD	14.07.2024
2.	V. Ramesh	Director (Technical)	31.07.2024
3.	Sandeep Govil	Director (HR & EB)	30.09.2024
4.	Vishwas Pathak	Independent Director	01.11.2024
5.	Sarv Daman Bharat	Independent Director	01.11.2024
6.	Yogesh Kumar Tamrakar	Independent Director	01.11.2024
7.	Deepika Mahajan	Independent Director	01.11.2024
8.	Niraj Verma	Government Nominee Director	08.11.2024
9.	Sunil Kumar Verma	Government Nominee Director	30.01.2025
10.	Piyush Ranjan Nishad	Independent Director	23.03.2025

(C) List of Directors in MTNL who were Appointed during the Period 01.04.2024 to 31.03.2025

Sl. No	Name of the Director	Category	Date of Appointment
1.	A. Robert J. Ravi	CMD	15.07.2024
2.	Dr Kalyan Sagar Nippani	Director (Technical)	01.08.2024
3.	Dr Kalyan Sagar Nippani	Director (HR & EB)	01.10.2024
4.	Sunil Kumar Verma	Government Nominee Director	08.11.2024
5.	Alok Shukla	Government Nominee Director	30.01.2025

(D) Changes in the List of Directors & Chairmanship/Membership in Board Level Committee in MTNL (Between 01.04.2025 and 31.07.2025) and their Directorship in Other Companies are given below: -

Sl. No.	Name	Category	Date of Appointment/ Cessation	Details of Directorship in other Companies	Details of Committee Chairmanship and Membership in MTNL
1.	Vishwas Pathak DIN (00093771)	Independent Director	15.04.2025	1. Maharahtra State Power Generation Company Limited -Independent Director 2. MSEB Holding Company Limited - Independent Director 3. Maharashtra State Electricity Distribution Company Limited - Independent Director 4. Maharashtra State Electricity Transmission Company Limited - Independent Director	Chairman - Audit Committee & Enterprise Risk Management Committee Member - Nomination & Remuneration Committee, Stakeholders Relationship Committee & CSR Committee

Sl. No.	Name	Category	Date of Appointment/ Cessation	Details of Directorship in other Companies	Details of Committee Chairmanship and Membership in MTNL
2.	Deepika Mahajan DIN (09408802)	Independent Director	15.04.2025	NIL	Chairman - Nomination & Remuneration Committee Member - Audit Committee, Stakeholders Relationship Committee, Enterprise Risk Management Committee & CSR Committee
3.	Sudakararao Papa DIN (10801670)	Director (Technical)	09.05.2025	1. Bharat Sanchar Nigam Limited (BSNL) 2. BSNL Tower Corporation Limited 3. Bharat Broadband Network Limited (BBNL)	Member - Enterprise Risk Management Committee

(II) Board Level Committee in MTNL

The Board has constituted five mandatory Board Level Committees under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance for Central Public Sector Enterprise (CPSE) namely Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Enterprise Risk Management Committee. These Board Level Committees mainly consist of Independent/Government Nominee Directors. The meetings of these Committees are held whenever required. The details are given elsewhere in this report. The minutes of all the Board Level Committee Meetings are circulated and discussed in the Board Meetings.

(A) Details of Number of Committee Memberships and Chairmanships of Directors as on 31.03.2025 given below: -

Name and Designation	Details of Memberships of Board Committee		Details of Chairmanships of Board Committee	
	Name of Company	Name of Committee	Name of Company	Name of Committee
A. Robert J. Ravi, CMD	MTNL	NIL	MTNL	NIL
Dr Kalyan Sagar Nippani, Director (HR & EB)	MTNL	Audit Committee	MTNL	CSR Committee
		Nomination & Remuneration Committee		
		Enterprise Risk Management Committee		
		CSR Committee		

Name and Designation	Details of Memberships of Board Committee		Details of Chairmanships of Board Committee	
	Name of Company	Name of Committee	Name of Company	Name of Committee
	BSNL	Audit Committee	BSNL	-
		Enterprise Risk Management Committee		
		CSR Committee		
Rajiv Kumar, Director (Finance)	MTNL	Enterprise Risk Management Committee	MTNL	Enterprise Risk Management Committee
		Stakeholders Relationship Committee		
		CSR Committee		
	BSNL	Enterprise Risk Management Committee	BSNL	Enterprise Risk Management Committee
		Stakeholders Relationship Committee		
Alok Shukla, Government Nominee Director	MTNL	Audit Committee	MTNL	Nomination & Remuneration Committee Stakeholders Relationship Committee
		Nomination & Remuneration Committee		
		Stakeholders Relationship Committee		
		CSR Committee		
	BSNL	Audit Committee	-	-
		Nomination & Remuneration Committee		
		Enterprise Risk Management Committee		
		CSR Committee		
Shivendu Gupta, Government Nominee Director	MTNL	Audit Committee	MTNL	Audit Committee
		Nomination & Remuneration Committee		
		Enterprise Risk Management Committee		
		Stakeholders Relationship Committee		
		CSR Committee		
	BSNL	Audit Committee	-	-
		Nomination & Remuneration Committee		
		Stakeholders Relationship Committee		

Details of Board Level Committee (Chairmanship & Membership) of Directors as on 31.07.2025 is given elsewhere in the report.

(III) Declaration received from Directors as on 31.03.2025

a. None of the Directors of the Company are related to each other and there are no inter-se relationships between the Directors.

b. None of the Directors hold equity shares in the Company. The Company has not issued any convertible instruments.

c. None of the Directors on the Board is a Director in more than 7 listed entities.

d. None of the Non – Executive Directors is an Independent Director in more than 7 listed entities as required under the SEBI (LODR) Regulations, 2015. Further, CMD and other functional directors do not serve as Independent Directors in any listed company.

e. None of the Directors held Directorships in more than 20 Indian Companies, with more than 10 Public Limited Companies.

f. None of the Directors on the Board is a member of more than 10 Committees or Chairman of 5 Committees (Committees being Audit Committee and Stakeholder Relationship Committee) across all Public Companies in India, in which he/she is a director.

g. All Directors are in compliance with the limit on Directorships/Independent Directorships of Listed Companies as prescribed under Regulation 17A of the SEBI (LODR) Regulations, 2015.

Necessary disclosures i.e., Form MBP-1 i.e., Notice of Interest by Director pursuant to Section 184(1) of Companies Act, 2013 and Rule 9 (1) of Companies (Meeting of Board and its Power) Rule 2014 have been obtained from all the directors. Also, Certificate pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015 regarding Membership/Chairmanship of Board Level Committee for the Financial Year 2024-25 has been taken from all the directors.

(IV) Attendance of Directors at the Board Meetings during the Financial Year 2024-25 and in the last Annual General Meeting (38th AGM held on 30.09.2024).

The Company holds regular Board Meetings as per the provisions of the Companies Act, 2013 and adheres to the Secretarial Standards on the Board & Committee Meetings as prescribed by The Institute of Company Secretary of India (ICSI). The Board has complete access to all information of the Company. The Company Secretary after getting approval from the Chairman & Managing Director sends a written notice of each Board Meeting to each Director. The agenda papers containing all necessary information/documents are available to the Board/Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The information as specified in the SEBI (LODR) Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion & consideration. Directors can suggest inclusion of any item(s) in the agenda at the Board meeting. The agenda is placed before the Board inter alia includes the information as mentioned in Schedule II Part A of SEBI (LODR) Regulations,

2015. During the Financial Year 2024-25, a total of 04 meetings of the Board were held and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings as per the Companies Act 2013. The minutes of the meetings of all the Board and Committees are circulated to all the Directors after incorporating the comments of the Directors.

Sl. No.	Name of the Directors	No. of Board Meetings		Percentage of Attendance (%)	Attendance at the Last AGM i.e. 38th AGM (Held on 30.09.2024)	Remarks
		Held During Their Tenure	Attended During Their Tenure			
1.	P.K. Purwar, CMD	1	1	100%	NA	Ceased to be CMD w.e.f. 14.07.2024
2.	A. Robert J. Ravi	3	3	100%	Yes	Was appointed as CMD w.e.f. 15.07.2024
3.	V. Ramesh, Director (Technical)	1	1	100%	NA	Ceased to be Director w.e.f. 31.07.2024
4.	Dr Kalyan Sagar Nippani, Director (HR & EB)	3	3	100%	Yes	[Appointed Director (HR & EB) w.e.f. 01.10.2024 & Was Director (Technical) from 01.08.2024 till 09.05.2025]
5.	Rajiv Kumar, Director (Finance)	4	4	100%	No	
6.	Sandeep Govil, Director (HR & EB)	2	1	50%	No	Ceased to be Director w.e.f. 30.09.2024
7.	Niraj Verma, Government Nominee Director	2	0	NIL	NA	Ceased to be Director w.e.f. 08.11.2024
8.	Sunil Kumar Verma, Government Nominee Director	1	1	100%	NA	Was Appointed as Director w.e.f. 08.11.2024 and Ceased to Director w.e.f. 30.01.2025
9.	Shivendu Gupta, Government Nominee Director	4	4	100%	No	

Sl. No.	Name of the Directors	No. of Board Meetings		Percentage of Attendance (%)	Attendance at the Last AGM i.e. 38th AGM (Held on 30.09.2024)	Remarks
		Held During Their Tenure	Attended During Their Tenure			
10.	Alok Shukla, Government Nominee Director	1	1	100%	NA	Was Appointed Director w.e.f. 30.01.2025
11.	Vishwas Pathak, Independent Director	2	2	100%	No	Ceased to be Director w.e.f. 01.11.2024 and was re-appointed Director w.e.f. 15.04.2025.
12.	Sarv Daman Bharat, Independent Director	2	2	100%	Yes	Ceased to be Director w.e.f. 01.11.2024
13.	Deepika Mahajan, Independent Director	2	2	100%	No	Ceased to be Director w.e.f. 01.11.2024 and was re-appointed Director w.e.f. 15.04.2025.
14.	Yogesh Kumar Tamrakar, Independent Director	2	1	50%	No	Ceased to be Director w.e.f. 01.11.2024
15.	Piyush Ranjan Nishad, Independent Director	4	4	100%	No	Ceased to be Director w.e.f. 23.03.2025

(V) DETAILS OF BOARD MEETINGS AND DATES & PLACES AT WHICH HELD DURING THE FINANCIAL YEAR 2024-25 (01.04.2024 TO 31.03.2025) ARE GIVEN BELOW: -

Sl. No.	Meeting No.	Date	Place	No. of Directors Present/Total No. of Directors
1	358	29.05.2024	New Delhi	10/11
2	359	14.08.2024	New Delhi	8/11
3	360	14.11.2024	New Delhi	6/6
4	361	14.02.2025	New Delhi	6/6

(VI) INDEPENDENT DIRECTORS

Independent Directors are essential in the Board's decision-making process, bringing with them a diverse range of experience, expertise, and knowledge to oversee the Company's performance and overall strategy. Their unbiased and focused insights are invaluable. They are committed and devote sufficient time to the Company. Independent Directors are appointed by the Government of India and hold the position of Non-Executive Directors as defined under Regulations 16(1) (b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. The maximum tenure of Independent Directors is three years. As required under Schedule IV of the Companies Act, 2013, the Company will give Formal Letter of Appointment to Independent Directors. The terms and conditions of their appointment will be posted on the Company's website. Each newly appointed Independent Director will be provided with an appointment letter which sets out their Role, Functions, Duties & Responsibilities and Copy of the Code of Conduct is also made available to them. During FY 2024-25, no Independent Directors was appointed of the Board of MTNL.

There was no Independent Directors in MTNL as on 31.03.2025.

In terms of Regulation 25(8) of the SEBI (LODR) Regulations, 2015 Independent directors have to confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The above declaration under Regulation 25(8) of SEBI (LODR) Regulations, 2015 regarding compliance with Regulation 16(b) of SEBI (LODR) Regulations, 2015 has been obtained from the Independent Directors and the Board of directors in its meeting held on 29.05.2024 & 28.05.2025 has confirmed that the Independent Directors has fulfilled the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the Management.

No Independent Directors has resigned from the directorship before the expiry of his/her tenure.

(VII) MEETING OF INDEPENDENT DIRECTORS

No separate meeting of Independent Directors of the Company without the presence of the Functional Directors & the Management Representatives was held during FY 2024-25 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the SEBI (LODR) Regulations, 2015, as there was only one Independent Director on the Board of MTNL w.e.f. 02.11.2024 till 23.03.2025. Four Independent Directors completed their tenure on 01.11.2024. The remaining one Independent Director also completed his tenure on 23.03.2025. As on 31.03.2025, there is no Independent Director on the Board of MTNL.

(VIII) DETAILS OF REMUNERATION PAID TO THE DIRECTORS DURING FY 2024 -25

a) Details of Remuneration Paid to the Whole -Time Directors during FY 2024 -25 are given below:

Name of the Whole Time Directors	All Elements of Remuneration Package i.e., Salary, PF Contribution, Pension, Gratuity Etc	Performance Linked Incentives*	Other Benefits (Perquisites)	Total Amount in Rupees
Shri Pravin Kumar Purwar, CMD (Ceased to be CMD w.e.f. 14.07.2024)	NIL	NIL	NIL	NIL
Shri A. Robert J. Ravi, CMD (Was Appointed CMD w.e.f. 15.07.2024)	NIL	NIL	NIL	NIL
Dr Kalyan Sagar Nippani, Director (HR&EB) [Appointed Director (HR & EB) w.e.f. 01.10.2024 & Was Director (Technical) from 01.08.2024 till 09.05.2025]	NIL	NIL	NIL	NIL
Shri V. Ramesh, Director (Technical) (Ceased to be Director w.e.f. 31.07.2024)	NIL	NIL	NIL	NIL
Shri Rajiv Kumar, Director (Finance)	NIL	NIL	NIL	NIL
Shri Sandeep Govil, Director (HR & EB) (Ceased to be Director w.e.f. 30.09.2024)	NIL	NIL	NIL	NIL

** relating to FY 2024-25*

Government Nominee Directors are not entitled to any Sitting fees. Further Independent Directors are entitled to an amount of Rs.10,000/- towards sitting fees for attending each meeting of the Board or any Committee thereof and are also reimbursed of out-of-pocket expenses such as travel expenses & hotel expenses etc. which are incurred by Independent Directors for attending such meetings.

The Sitting fees paid to the Independent Directors during the Financial Year 2024-25 is as under:

Sl. No	Name of the Independent Director	Sitting fees						
		Board Meetings	Committee Meetings					Total Amount in Rupees
			Audit Committee	CSR Committee	Nomination & Remuneration Committee	Stakeholder Relationship Committee	Enterprise Risk Management Committee	
1.	Sarv Daman Bharat	20000	20000	NA	10000	NA	NA	50000
2.	Deepika Mahajan	20000	20000	NA	10000	NA	NA	50000
3.	Vishwas Pathak	20000	20000	NA	NA	NA	10000	50000
4*	Yogesh Kumar Tamrakar	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5.	Piyush Ranjan Nishad	40000	20000	NA	NA	10000	10000	80000

*Shri Yogesh Tamrakar, Independent Directors of MTNL has relinquished their right to receive the sitting fees for attending the Board and its Committee Meetings.

(IX) SERVICE CONTRACTS AND SEVERANCE FEE

The Chairman-cum-Managing Director (CMD) and other Executive Directors are appointed by the Government of India. Government Nominee Directors are also appointed by the President of India and hold office till further orders and are not entitled to sitting fees or reimbursement of expenses etc. Independent Directors are also appointed by the Government of India for a period of three years or till further orders whichever is earlier. There is no provision for payment of severance fees to directors.

(X) FAMILIARIZATION PROGRAMME FOR DIRECTORS

All Directors on the Board (including Independent Directors) are appointed by the Government of India. Training of newly appointed Directors and familiarization of all the Board Members is the responsibility of the Company. Familiarization Programme includes the presentation & Interactive Session with CMD, other Directors and Senior Management Personnel. The Company Secretary briefs the Director about the Legal & Regulatory responsibilities as a director. Also, Department of Public Enterprises (DPE) organizes various orientation programmes for newly appointed Independent Directors of Public Sector Undertakings (PSU). The Familiarization Programme is uploaded in Company's website and can be accessed at https://mtnl.in/directors.html.

(XI) TRAINING OF DIRECTORS

The Company is managed by the Sectoral Experts/Specialists having domain knowledge and expertise of the core sector, which is "Telecom Services Management". Government Nominee Directors are serving Class I officers of the Central Government. Independent directors being men of eminence in public life with proven expertise, bring their own value addition to the management of the Company. Keeping in view the important role of the Government Directors in effective management of the CPSEs, Department of Public Enterprise (DPE), Government of India organizes capacity building programme for the newly inducted Government Directors for which the Government Directors are nominated. Similarly, Department of Public Enterprises (DPE), Government of India also organize capacity building/orientation programmes for the Independent Directors. Independent directors are nominated to attend such programmes organized by DPE. Apart from these, whenever DPE conducts any special training programmes, the directors are nominated for attending the same.

(XII) SEPARATION OF POSTS OF CHAIRMAN & CHIEF EXECUTIVE OFFICER

Separation of posts of Chairman & Chief Executive Officer which is made as discretionary requirement vide amendment to LODR issued on 22.03.2022 to Part - E of Schedule -II read with Regulation 27 of SEBI (LODR) Regulations, 2015 is not applicable as it is discretionary only and also as appointment of CMDs in PSUs is made by Government of India for a tenure of 5 years.

(XIII) SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS OF MTNL

As required under the SEBI (LODR) Regulations, 2015 the list of core skills/ expertise/competencies as identified by the Board of Directors in the context of its business and sector for it to function effectively and those available with the Board are as under:

Matrix of skills / expertise/competencies:

a) **Knowledge:** Understanding of the Company's business, policies and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.

b) **Behavioural Skills:** Attributes and Competencies to use their knowledge and skills to function well as a team-members and to interact with key stakeholders.

c) **Strategic thinking and Planning:** Appreciation of long-term trends, strategic choices, and experience in guiding and leading management teams to make decisions in uncertain environments.

d) **Financial Skills**

e) **Governance:** Experience in developing governance practices, serving the best interest of all stakeholders, maintaining Board and Management accountability, building long-term effective stakeholders engagements and driving corporate ethics and values.

f) Technical/Professional skills and specialized Knowledge to assist the ongoing aspects of the business, the Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills.

The Board of Directors of MTNL has formulated the job description for the posts of CMD and other Functional Directors as under :-

S. No.	Post of Functional Director	Skills/Expertise/Competencies Required
1.	CMD	Applicant should have proven Managerial Ability in manning a large Telecom Organization. Engineering Graduate candidates shall be preferred. He should possess leadership quality, vision and drive etc. He should be a Person of Outstanding Personality, Professional Competency and proven Managerial Ability. As the Head of the organization, he/she should be able to co-ordinate and interact effectively with various other institutions and agencies. Shri A. Robert J. Ravi, the present CMD is having the requisite qualification and experience. Further w.e.f. 15.07.2024, he was entrusted with additional charge of CMD MTNL apart from his regular charge of CMD of BSNL .
2.	Director (HR & EB)	The incumbent should have Post Graduate Degree/Diploma in Personnel Management or M.B.A. with specialization in Personnel Management/Industrial Relations. A degree in Law will be an added advantage. A Person should have vast experiences in Industrial Relations & in a Service/Manufacturing Sector. Dr Kalyan Sagar Nippani, the present Director (HR & EB) is having the requisite qualification and experience. Further w.e.f. 01.10.2024 he was entrusted with additional charge of Director (HR & EB) of MTNL apart from his Regular Charge of Director (HR) of BSNL. He was also entrusted with additional charge of Director (Technical) from 01.08.2024 till 09.05.2025.
3.	Director (Finance)	The incumbent should possess a Cost Accountant/Chartered Accountant/MBA (Finance) degree from a recognized University/ Institution with good academic record with managerial experience at a senior level in Corporate Financial Management and accounts including Cost, Budgetary Control, Institutional Finance, Working Capital Management etc.

S. No.	Post of Functional Director	Skills/Expertise/Competencies Required
		Shri Rajiv Kumar, the present Director (Finance) of MTNL is having the requisite qualification and experience. Further w.e.f. 02.12.2022 he was entrusted with additional charge of Director (Finance) apart from his Regular Charge of Director (Finance) of BSNL. Additional charge of Director (Finance) BBNL is also entrusted with him.
4.	Director (Technical)	The incumbent should be an Engineering Graduate or equivalent preferably in Telecommunications Engineering with good academic record from a recognized University/Institution. He should have adequate experience at senior level in large organization of good repute. Preferably in the field of Operations, Mtce., Planning and Development of large Telecom Network. Shri Sudhakararao Papa, the present Director (Technical) is having the requisite qualification and experience. Further w.e.f. 09.05.2025 he was entrusted with additional charge of Director (Technical) of MTNL apart from his Regular Charge of Director (Enterprise Business) of BSNL.

The Board of directors of MTNL comprises of professionals, having skills/expertise and competence in diverse fields like administration, finance, management, law, technical etc., who provide strategic direction and guidance to the organization. The directors on the Board of MTNL are appointed by President of India through Administrative Ministry i.e. Department of Telecommunications, Ministry of Communications, Government of India after considering skills, expertise and competence of individuals with reference to the business of the Company. Their wide range of skills, expertise and competency enhances the quality of the Board's decision making process. All the Board members had effectively participated in the Board/Committee meetings and contributed substantially towards the growth of the organization.

The educational qualifications and experience of the Board of Directors of MTNL as on 31.03.2025 is given below: -

Name of Director & Designation	Educational Qualifications	Experience
A. Robert J. Ravi, CMD	B.Tech. in Electronics and Communications and MBA in International Relations	Telecommunications
Rajiv Kumar, Director (Finance)	B.Tech. and M.B.A (Finance)	Telecom Finance
Dr Kalyan Sagar Nippani, Director (HR & EB)	PG Diploma in Personnel Management, MBA in Finance, MBA in Marketing Management and PG Diploma in Business Management	Telecom Finance, Human Resources

Name of Director & Designation	Educational Qualifications	Experience
Shivendu Gupta, Government Nominee Director	B.Tech. (IIT Kanpur), CMA and CFA	Project Management, Procurement Finance and Spectrum Economics
Alok Shukla, Government Nominee Director	B.Sc. and B.Tech. (Electronics and Communications) from University of Allahabad	Administrative, Management & Technical Field

The educational qualifications and experience of the Directors of MTNL who were appointed after 31.03.2025 is given below: -

Name of Director & Designation	Educational Qualifications	Experience
Vishwas Pathak, Independent Director	M.Com, LLB, FCS	Management
Deepika Mahajan, Independent Director	M.A, LLB	Legal
Sudhakararao Papa, Director (Technical)	Bachelor of Engineering degree in Electronics & Telecommunications, Post-Graduation in Public Policy & Management from the Indian Institute of Management (IIM), Bangalore and a course on Policy in International Comparative Perspective conducted by Maxwell School of Citizenship & Public Affairs, Syracuse University, USA.	Telecommunication

Brief Profile of the Board of Directors of MTNL is available in MTNL website at www.mtnl.in.

2. AUDIT COMMITTEE

The Board has established a qualified and independent Audit Committee in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 & 62(F) of the SEBI (LODR) Regulations, 2015. The Composition and Term of Reference of the Committee are in conformity with the said provisions.

(I) TERMS OF REFERENCE OF AUDIT COMMITTEE

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the SEBI (LODR) Regulations, 2015. The terms of reference of the Audit Committee, inter-alia is as follows:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.

2. Reviewing with Management the Quarterly and Annual Financial Statements alongwith related party transactions, if any, before submission to the Board.
3. Approval or any subsequent modification of transactions of the Company with related parties.
4. Reviewing with the Management and Statutory and Internal Auditors, the adequacy of internal control systems.
5. Discussion with Internal Auditors on Annual Internal Audit Program, Significant Audit Findings and follow up on such issues.
6. Discussion with Statutory Auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
7. Reviewing the Company's financial and risk management policies. - Evaluation of internal financial controls and risk management systems.
8. Reviewing with the Management, the observations / comments / assurances of Statutory Auditors and the Comptroller & Auditor General of India (CAG).
9. Review with the Management, the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertaking (CoPU), if any.
10. Review of Cost Audit Report.
11. To examine, decide and deal with all issues relating to Ethics in the Company.
12. Review of functioning of Whistle Blower Policy.
13. Carrying out any other function as may be referred to the Committee by the Board.

(II) COMPOSITION OF AUDIT COMMITTEE

As on 31.07.2025, the Audit Committee consists of the following Members: -

1.	Shri Vishwas Pathak, Independent Director	Chairman
2.	Ms. Deepika Mahajan, Independent Director	Member
3.	Shri Shivendu Gupta, Government Nominee Director	Member

As on 31.03.2025, the Audit Committee consists of the following Members: -

1.	Shri Shivendu Gupta, Government Nominee Director	Chairman
2.	Shri Alok Shukla, Government Nominee Director	Member
3.	Dr Kalyan Sagar Nippani, Director (HR & EB)	Member

The Members of the Audit Committee have requisite financial and management expertise. All the recommendations of the Audit Committee made in the Financial Year 2024-25 have been accepted by the Board of Directors. The Audit Committee meetings are regularly attended by Director (Finance), CFO & GM (Finance), MTNL CO and G.M.s(Finance) Delhi & Mumbai and officers of Accounts Section. The Statutory Auditors / Internal Auditors also attend the Audit Committee meetings by invitation. The Company Secretary acts as the Secretary to the Committee.

(III) ATTENDANCE OF DIRECTORS AT THE AUDIT COMMITTEE MEETINGS DURING THE FINANCIAL YEAR 2024-25

The Audit Committee held 04 meetings during the Financial Year 2024-25 and the gap between two meetings did not exceed one hundred and twenty days. Necessary quorum was present in the meeting of the Committee. The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee were accepted by the Board.

Name of the Director	No. of Audit Committee Meetings Attended	Percentage (%)	Remarks
Shri Vishwas Pathak, Independent Director	2/2	100%	Ceased to be Chairman & Member w.e.f. 01.11.2024 and was re-appointed Chairman & Member w.e.f. 15.04.2025
Shri Sarv Daman Bharat, Independent Director	2/2	100%	Ceased to be Member w.e.f. 01.11.2024
Ms. Deepika Mahajan, Independent Director	2/2	100%	Ceased to be Member w.e.f. 01.11.2024 and was re-appointed Member w.e.f. 15.04.2025
Shri Shivendu Gupta, Government Nominee Director	4/4	100%	
Shri Sunil Kumar Verma, Government Nominee Director	1/1	100%	Was Appointed as Member w.e.f. 14.11.2024 and Ceased to be Member w.e.f. 30.01.2025
Shri Piyush Ranjan Nishad, Independent Director	2/2	100%	Was Appointed as Chairman & Member w.e.f. 14.11.2024 and Ceased to be Chairman & Member w.e.f. 23.03.2025
Shri Alok Shukla, Government Nominee Director	1/1	100%	Was Appointed as Member w.e.f. 30.01.2025 and Ceased to be Member w.e.f. 15.04.2025
Dr Kalyan Sagar Nippani, Director (HR & EB)	NA	NA	Was Appointed as Member w.e.f. 24.03.2025 and Ceased to be Member w.e.f. 15.04.2025

DETAILS OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2024-25 (01/04/2024 TO 31/03/2025)

Sl. No.	Meeting No.	Date	Place	No. of Members Attended
1	141	29.05.2024	New Delhi	4/4
2	142	14.08.2024	New Delhi	4/4
3	143	14.11.2024	New Delhi	3/3
4.	144	14.02.2025	New Delhi	3/3

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178(1) of the Companies Act, 2013 and Regulation 19 & 62(G) of the SEBI (LODR) Regulations, 2015. The Composition and Term of Reference of the Committee are in conformity with the said provisions.

(I) Terms of Reference of Nomination & Remuneration Committee

Being a Government Company, in terms of Government of India, Ministry of Corporate Affairs (MCA) Notification No.1/2/2014-CL.V, dated 05.06.2015 provision contained in Sub section (2), (3) and (4) of Section 178 of Companies Act, 2013 are not applicable except appointment and remuneration of Senior Management Personnel and other employees.

MTNL being a Government Company, the appointment and the terms and conditions of appointment (including remuneration) of the Whole-Time Directors are decided by the Government of India. As regard policy on Remuneration of Senior Management Personnel and other Employees of the Company, their pay structure, allowances and other benefits are governed by relevant guidelines of Government of India (DPE). However, the Board has constituted a Nomination & Remuneration Committee. The Government Nominee Directors is not entitled to sitting fees from the Company. The Independent Directors are being paid sitting fee of Rs. 10,000/- for attending each meeting of the Board or its Committee thereof. They are reimbursed travel expenses & hotel expenses on this account, if any in addition to the sitting fees. The Company does not have any Employee Stock Option Scheme.

The Performance Evaluation of the Directors (including Independent Directors) has not been done by the Nomination and Remuneration Committee, as MTNL being a Government Company, the powers relating to the appointment, evaluation and the terms of Directors including Independent Directors vest with the Government of India. The same is also exempted to Government Companies under the provisions of Companies Act, 2013.

(II) COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

As on 31.07.2025, the Nomination & Remuneration Committee consists of the following Members:

1.	Ms. Deepika Mahajan, Independent Director	Chairperson
2.	Shri Vishwas Pathak, Independent Director	Member
3.	Shri Alok Shukla, Government Nominee Director	Member

As on 31.03.2025, the Nomination & Remuneration Committee consists of the following Members:

1.	Ms. Deepika Mahajan, Independent Director	Chairperson	Ceased to be Chairperson and Member w.e.f. 01.11.2024 and was re-appointed Chairman & Member w.e.f. 15.04.2025
2.	Shri Sarv Daman Bharat, Independent Director	Member	Ceased to be Member w.e.f. 01.11.2024
3.	Shri Sunil Kumar Verma, Government Nominee Director	Member	Became Member w.e.f. 14.11.2024 and Ceased to be Member w.e.f. 30.01.2025
4.	Shri Niraj Verma, Government Nominee Director	Member	Ceased to be Member w.e.f. 08.11.2024
5.	Shri Shivendu Gupta, Government Nominee Director	Member	Became Member w.e.f. 14.11.2024 and Ceased to be Member w.e.f. 15.04.2025
6.	Shri Piyush Ranjan Nishad, Independent Director	Chairman	Became Chairman & Member w.e.f. 14.11.2024 and Ceased to be Chairman & Member w.e.f. 23.03.2025
7.	Shri Alok Shukla, Government Nominee Director	Chairman	Became Member w.e.f. 30.01.2025 and Chairman w.e.f. 24.03.2025. Ceased to be Chairman w.e.f. 15.04.2025
8.	Dr Kalyan Sagar Nippani, Director (HR & EB)	Member	Became Member w.e.f. 24.03.2025 and Ceased to be Member w.e.f. 15.04.2025

The Company Secretary acts as the Secretary to the Committee.

(III) ATTENDANCE OF DIRECTORS AT THE NOMINATION & REMUNERATION COMMITTEE DURING THE FINANCIAL YEAR 2024-25

One meeting of the Nomination & Remuneration Committee was held during the Financial Year 2024-25. Necessary quorum was present in the meeting of the Committee. The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee were accepted by the Board.

Sl. No.	Date	Place	No. of Members Attended
1	14.08.2024	New Delhi	2/3

Name of the Directors	No. of Nomination & Remuneration Committee Meeting Attended	Percent-age (%)
Ms. Deepika Mahajan, Chairperson & Independent Director	1/1	100%
Shri Sarv Daman Bharat, Independent Director	1/1	100%
Shri Niraj Verma, Government Nominee Director	NIL	NIL
Shri Shivendu Gupta, Government Nominee Director	NA	NA
Shri Piyush Ranjan Nishad, Independent Director	NA	NA
Shri Alok Shukla, Government Nominee Director	NA	NA
Dr Kalyan Sagar Nippani, Director (HR & EB)	NA	NA

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Companies Act, 2013 and Regulation 20 & 62(H) of the SEBI (LODR) Regulations, 2015. The Composition and Term of Reference of the Committee are in conformity with the said provisions.

(I) Terms of Reference of Stakeholder Relationship Committee

The terms of reference of the Stakeholders Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Companies Act, 2013 and Regulation 20 read with Part D (B) of Schedule II to the SEBI (LODR) Regulations, 2015. The terms of reference of the SRC, *inter-alia* are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholder.
3. Review of adherence to the service standards adapted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports notices by the shareholders of the Company.
5. Such other matter as may be specified by the Board from time to time.
6. Any other matter as prescribed by the Companies Act, 2013 & rules made thereunder, and SEBI (LODR) Regulations, 2015 or such other regulations prescribed by the SEBI from time to time.

The Committee also oversees the performance of the Registrar and Share Transfer Agent (RTA) and recommends measures for overall improvement in the quality of Investors' service.

Letters of Shareholders/Bondholders received through SEBI(SCORES)/Stock Exchange/MCA/ Depositories/RTA/Other Statutory Authorities are considered as complaints. The day-to-day requests received from shareholders are taken up by M/s Beetal Financial & Computer Services (P) Ltd, RTA of the Company directly and are not included in the complaints. During the FY 2024-25, Four (4) complaints were received from the Shareholders directly or through SEBI (SCORES)/ Stock Exchange/MCA, etc. and all the four complaints have been resolved. The Shareholders related matters/issues are given top priority and are resolved within a reasonable period. The investors may submit their request/ grievances through e-mail to the RTA and the Company. The Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the Investor's grievances. Contact information of the designated officials of MTNL who are responsible for assisting & handling Investor Grievances of MTNL and email address for Investor/ Shareholder Grievances Redressal & relevant details are uploaded in Company's website and can be accessed at https://mtnl.in/investors.html.

(II) Composition of Stakeholders Relationship Committee

As on 31.07.2025, the Stakeholders Relationship Committee consists of the following Members: -

1.	Shri Alok Shukla, Government Nominee Director	Chairman
2.	Ms. Deepika Mahajan, Independent Director	Member
3.	Shri Vishwas Pathak, Independent Director	Member
4.	Shri Rajiv Kumar, Director (Finance)	Member

As on 31.03.2025, the Stakeholders Relationship Committee consists of the following members: -

1.	Shri Sunil Kumar Verma, Government Nominee Director	Chairman	Became Chairman w.e.f. 14.11.2024 and Ceased to be Chairman and Member w.e.f. 30.01.2025
2.	Shri Sarv Daman Bharat, Independent Director	Member	Ceased to be Member w.e.f. 01.11.2024
3.	Shri Rajiv Kumar, Director (Finance)	Member	
4.	Shri Niraj Verma, Government Nominee Director	Chairman	Ceased to be Chairman & Member w.e.f. 08.11.2024
5.	Shri Piyush Ranjan Nishad, Independent Director	Member	Became Member w.e.f. 14.11.2024 and Ceased to be Member w.e.f. 23.03.2025
6.	Shri Alok Shukla, Government Nominee Director	Chairman	Became Chairman and Member w.e.f. 30.01.2025
7.	Shri Shivendu Gupta, Government Nominee Director	Member	Became Member w.e.f. 24.03.2025 and Ceased to be Member w.e.f. 15.04.2025.

The Company Secretary acts as the Secretary to the Committee.

(I) Attendance of Directors and Details of Stakeholders Relationship Committee Meetings during the Financial Year 2024-25

One meeting of the Stakeholders Relationship Committee was held during the Financial Year 2024-25. Necessary quorum was present in the meeting of the Committee. The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee were accepted by the Board.

Sl. No.	Date	Place	No. of Members Attended
1	14.02.2025	New Delhi	3/3

Name of the Director	No. of Stakeholders Relationship Committee Meeting Attended	Percentage (%)
Shri Sunil Kumar Verma, Chairman & Government Nominee Director	NA	NA
Shri Piyush Ranjan Nishad, Independent Director	1/1	100%
Shri Rajiv Kumar, Director (Finance)	1/1	100%
Shri Alok Shukla, Chairman & Government Nominee Director	1/1	100%
Shri Shivendu Gupta, Government Nominee Director	NA	NA

CORPORATE SOCIAL RESPONSIBILTY ("CSR") COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013 and the rules thereunder. The Composition and Term of Reference of the Committee are in conformity with the said provisions. The CSR Policy is available on the website of the Company at the web link: https://mtnl.in/csr_2014.pdf.

(I) **Terms of Reference CSR Committee**

1. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. Recommend the amount of expenditure to be incurred on the activities referred as above;
3. Monitor the CSR Policy of the Company from time to time;
4. Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.

Owing to losses incurred by the Company since the Financial Year 2009-10, no specific amount could be earmarked for CSR Activities. However, MTNL is doing non-functioning CSR activities through SMS, etc. spreading awareness of the steps to be taken for Prevention of COVID 19,

Swachh Bharat, Pulse Polio, Awareness in relation to Digital Arrest fraud etc.

(II) Composition of CSR Committee

As on 31.07.2025, Corporate Social Responsibility (CSR) Committee consists of the following members: -

1.	Dr Kalyan Sagar Nippani, Director (HR & EB)	Chairman
2.	Shri Rajiv Kumar, Director (Finance)	Member
3.	Ms. Deepika Mahajan, Independent Director	Member
4.	Shri Vishwas Pathak, Independent Director	Member

As on 31.03.2025, Corporate Social Responsibility (CSR) Committee consists of the following members: -

1.	Ms. Deepika Mahajan, Independent Director	Member	Ceased to be Member w.e.f. 01.11.2024 and was re-appointed Member w.e.f. 15.04.2025
2.	Shri Vishwas Pathak, Independent Director	Member	Ceased to be Member w.e.f. 01.11.2024 and was re-appointed Member w.e.f. 15.04.2025
3.	Shri Rajiv Kumar, Director (Finance)	Member	
4.	Shri Sandeep Govil, Director (HR & EB)	Chairman	Ceased to be Member w.e.f. 30.09.2024
5.	Dr Kalyan Sagar Nippani, Director (HR & EB)	Chairman	Became Chairman & Member w.e.f. 14.11.2024.
6.	Shri Sunil Kumar Verma, Government Nominee Director	Member	Became Member w.e.f. 14.11.2024 and Ceased to be Member w.e.f. 30.01.2025.
7.	Shri Piyush Ranjan Nishad, Independent Director	Member	Became Member w.e.f. 14.11.2024 and Ceased to be Member w.e.f. 23.03.2025
8.	Shri Alok Shukla, Government Nominee Director	Member	Became Member w.e.f. 30.01.2025 and Ceased to be Member w.e.f. 15.04.2025
9.	Shri Shivendu Gupta, Government Nominee Director	Member	Became Member w.e.f. 24.03.2025 and Ceased to be Member w.e.f. 15.04.2025

The Company Secretary acts as the Secretary to the Committee

No Meeting of the CSR Committee was held during the Financial Year 2024-25.

7. ENTERPRISE RISK MANAGEMENT COMMITTEE

The Enterprise Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 & 62(I) of the SEBI (LODR) Regulations, 2015. The Composition and Term of Reference of the Committee are in conformity with the said provisions. The Enterprise Risk Management Policy along with risk assessment and its management & minimization is available on the website of the Company at the web link: www.mtnl.in.

(I) Terms of Reference of Enterprise Risk Management Committee

The Enterprise Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Enterprise Risk Management Policy (ERM Policy) detailing the risks that the Company faces under various categories like Market/Competition Risk, Policy and Regulation Risk and Regulatory Compliance Risk, Technology Risk/Quality of Service Risk, Operational Risk, Ongoing Concern Risk, Internal Control Failures and Integrity of Financial Information Risk, Information Technology & Systems Security Risk, Disaster and Business Continuity Risk, Greater Transparency and Entity Level Ethical & Governance Risk and other risks and these have been identified and suitable mitigation measures have also been formulated. The functions of the Enterprises Risk Management Committee shall inter-alia includes cyber security. The Enterprises Risk Management Committee reviews the key risks faced by the Company and its mitigation measures periodically.

Details of Risk faced by MTNL and its Management and its Minimization is included in Management Discussions and Analysis Report which is included as Annexure to the Director's Report.

The Role of the Enterprise Risk Management Committee is as below:

i. Assessing the Risk Management Procedures relating to Identification and Evaluation of all types of risks, namely, Strategic, Operational, Legal and Regulatory, Information systems and external risks that the Company is exposed to;

ii. Review and oversee the Risk Management, Compliance, and Control Procedures;

iii. Review the Risk Assessment and Mitigation Procedures;

iv. Recommend to the Board a Risk Management Plan for the Company and monitor the functioning of the said plan;

v. Determine and finalize the risks that the Company and that of its Subsidiaries is exposed to and review their mitigation measures;

vi. Review the Legal Compliance System;

vii. Such other terms as the Board may indicate from time to time.

(II) Composition of Enterprise Risk Management Committee

As on 31.07.2025, the Enterprise Risk Management Committee consists of the following Members:

1.	Shri Vishwas Pathak, Independent Director	Chairman
2.	Shri Rajiv Kumar, Director (Finance)	Member
3.	Shri Sudhakararao Papa, Director (Technical)	Member (Became Member w.e.f. 28.05.2025)
4.	Ms. Deepika Mahajan, Independent Director	Member (Became Member w.e.f. 15.04.2025)

As on 31.03.2025, the Enterprise Risk Management Committee consists of the following Members:

1.	Shri Rajiv Kumar, Director (Finance)	Member	Ceased to be Chairman w.e.f. 28.05.2025
2.	Shri V. Ramesh, Director (Technical)	Member	Ceased to be Member w.e.f. 31.07.2024
3.	Shri Vishwas Pathak, Independent Director	Member	Ceased to be Member w.e.f. 01.11.2024 and was re-appointed as Member w.e.f. 15.04.2025 and Chairman w.e.f. 28.05.2025
4.	Shri Sandeep Govil, Director (HR & EB)	Member	Ceased to be Member w.e.f. 30.09.2024
5.	Dr Kalyan Sagar Nippani, Director (HR & EB)	Member	Was appointed Member w.e.f. 14.08.2024 and Ceased to be Member w.e.f. 28.05.2025
6.	Shri Piyush Ranjan Nishad, Independent Director	Member	Was appointed Member w.e.f. 14.11.2024 and Ceased to be Member w.e.f. 23.03.2025
7.	Shri Shivendu Gupta, Government Nominee Director	Member	Was appointed Member w.e.f. 24.03.2025 and Ceased to be Member w.e.f. 15.04.2025

The Company Secretary acts as the Secretary to the Committee.

(III) ATTENDANCE OF DIRECTORS AT THE ENTERPRISE RISK MANAGEMENT COMMITTEE MEETINGS DURING THE FINANCIAL YEAR 2024-25.

Two meetings of the Enterprise Risk Management Committee were held during the Financial Year 2024-25. Necessary quorum was present in the meeting of the Committee. The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee were accepted by the Board.

Sl. No.	Meeting Number	Date	Place	No. of Members Attended
1	11	14.08.2024	New Delhi	2/3
2.	12	14.02.2025	New Delhi	3/3

Name of the Director	No. of Enterprise Risk Management Committee Meetings Attended	Percentage (%)
Shri Rajiv Kumar, Chairman & Director (Finance)	2/2	100%
Shri Vishwas Pathak, Independent Director	1/1	100%
Shri Sandeep Govil, Director (HR & EB)	NIL	NIL
Dr Kalyan Sagar Nippani, Director (HR & EB)	2/2	100%
Shri Piyush Ranjan Nishad, Independent Director	1/1	100%
Shri Shivendu Gupta, Government Nominee Director	NA	NA

8. SHARE TRANSFER COMMITTEE (STC) & SHARE TRANSFER SYSTEM

As per the Listing Regulations, shares cannot be transferred unless they are held in dematerialized mode. Shareholders who hold shares in physical form are advised to convert them into dematerialized mode to avoid the risk of losing shares, fraudulent transactions, and to receive better investor servicing. Only valid transmission or transposition cases that comply with the SEBI guidelines will be processed by the RTA of the Company. To transfer, transmit, or transpose shares in physical form, shareholders should submit them to the office of the Company's Registrar & Share Transfer Agent, M/s Beetal Financial & Computer Services (P) Ltd. The RTA will process these cases only if they are technically found to be complete and in order. The Board has delegated the authority for approving transfer, transmission, remat, split, consolidation etc. of the Company's shares to the Share Transfer Committee comprising of DGM (Budget & Banking) and Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Share Transfer Committee is placed before the Stakeholders Relationship Committee of the Board.

Shareholders are further advised to refer the latest SEBI Guidelines/Circulars issued for all the holder holding securities in listed companies in physical form from time to time and keep their KYC detail updated all the time to avoid freezing their folio as prescribed by SEBI.

9. SENIOR MANAGEMENT

Senior Management means the officers and personnel of the Company who are the members of the core management team excluding the Board of directors. As on 31.03.2025, Shri Mukesh Kumar Chauhan continue to be ED(Delhi) and Shri Harsh Vardhan Singh continue to be CGM (Mumbai) respectively.

10. COMPANY SECRETARY & COMPLIANCE OFFICER

Name of the Company Secretary & Compliance Officer: Shri Ratan Mani Sumit

Address: Mahanagar Doorsanchar Sadan, 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi – 110 003. **Tel No.** 011- 24317225 **E-mail:**mtnlcsco@gmail.com, mtnlcsco@bol.net.in

11. (i) LOCATION, DATE AND TIME FOR LAST THREE ANNUAL GENERAL MEETING

Nature of Meeting	Date and Time	Venue	Special Resolution Passed in the Last 3 yrs AGM
38TH Annual General Meeting (2024)	30th September, 2024, 11:43 A.M.	Meeting Held Through VC/ OAVM	No Special Resolution was passed.
37TH Annual General Meeting (2023)	29th September, 2023, 11:30 A.M.	Meeting Held Through VC/ OAVM	1. To approve the Issue of Non-Convertible Debentures on Private Placement Basis
36TH Annual General Meeting (2022)	10th October, 2022, 11:30 A.M.	Meeting Held Through VC/ OAVM	1. To raise the Borrowing Powers of the Board from Rs.30,000 crores to Rs. 35,000 crores. 2. To approve the Issue of Non-Convertible Debentures on Private Placement Basis 3. To approve Alteration in the Article 69(11)(f) and insertion in para no. 24 of the Article 72 of the Articles of Association of MTNL.

(ii) Postal Ballot Passed by Shareholders through E-voting during FY 2024-25: During the FY 2024-25, no resolution was passed by the Shareholders through Postal Ballot.

(iii) Whether any Special Resolution is proposed to be conducted through Postal Ballot – At present, there is no proposal to pass any Special Resolution through Postal Ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

(iv) Procedure for Postal Ballot – Not Applicable

12. DISCLOSURES

(I) CEO/CFO Certification – CEO & CFO of the Company have given the CEO/CFO Certification to the Board for the Financial Year 2024-25. The Certificate is attached as Annexure to this report.

(II) Pursuant to Part C (2) (i) of Schedule V of SEBI (LODR) Regulations 2015, the Board of Directors of MTNL is in the opinion that the Independent Directors fulfilled the conditions specified in these regulations and are independent of the Management.

(III) Pursuant to Part C (10) (i) of SEBI (LODR) Regulations, 2015, M/s Mritunjay Shekhar & Associates, Company Secretary in Practice has furnished a Certificate that None of the

Directors in the Board of MTNL has been debarred or disqualified from being appointed or continue as Directors of Company by the Board/ Ministry of Corporate Affairs (MCA) or any other Statutory Authority for the FY 2024-25. The Certificate is attached as Annexure to this report.

(IV) Pursuant to Schedule V Part C (10) (k) of SEBI (LODR) Regulations, 2015, during the last two financial years i.e. 2023-24 & 2024-25 there has been no instance of Non-Compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authorities, on any matter related to Capital Markets. For further information, kindly refer Annual Secretarial Compliance Certificate, Secretarial Audit Report and Corporate Governance Report for the Financial Year 2024-25 attached as an Annexure to the Directors Report. The securities of the Company were not suspended from trading anytime during FY 2024-25.

(V) Compliance with Corporate Governance Requirements: The Company has complied with requirements of Corporate Governance set forth in Regulation 17 to 27, as well as Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015, as applicable except as per details given below:-

(a) One Half of the Board was not comprised of Independent Directors from 01.04.2024 to 30.09.2024 and from 02.11.2024 to 31.03.2025. Further, Total Number of Directors was 5 (Five) from 24.03.2025 to 31.03.2025. Also, there was no Woman Independent Director or Woman Director from 02.11.2024 to 31.03.2025.

(b) The Board required 6 (Six) Independent Directors from 01.04.2024 to 30.09.2024 but it had only 5 (Five) Independent Directors on the Board during the period. Further, 4 (Four) Independent Directors completed their tenure on 01.11.2024. The Board required 5 (Five) Independent Directors from 02.11.2024 to 31.03.2025 but it had only 1 (One) Independent Director on the Board during the period from 02.11.2024 to 23.03.2025. From 24.03.2025 to 31.03.2025, there were No Independent Directors on the Board of MTNL.

(c) The Audit Committee did not comprise of minimum 2 (Two) Independent Directors as Member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman & Member from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025.

(d) The Nomination & Remuneration Committee did not comprise of minimum 2 (Two) Independent Directors as Member for the period from 02.11.2024 to 31.03.2025. Further, there was no Independent Director as Chairman & Member from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.

(e) The Stakeholders Relationship Committee did not comprise of minimum 1(One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.

(f) The Enterprise Risk Management Committee did not comprise of minimum 1 (One) Independent Director as member for the period from 02.11.2024 to 13.11.2024 and from 24.03.2025 to 31.03.2025. Further there was no minimum 3 (three) Members in the said Committee from 02.11.2024 to 13.11.2024.

(g) No Separate Meeting of Independent Directors was held during FY 2024-25.

The Company also has complied with all the mandatory requirements of Corporate Governance as specified in sub paras (2) to (10) of Part C of Schedule V of the SEBI (LODR) Regulations, 2015. The Company has also complied with DPE Guidelines for Corporate Governance for CPSEs except as per details given above. A Certificate of Compliance with Corporate Governance under SEBI (LODR) Regulations, 2015 has been obtained from M/s Mritunjay Shekhar & Associates for the Financial Year 2024-25 and is placed as annexure to the Directors Report.

(VI) Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 an Annual Secretarial Compliance Certificate for the Financial Year 2024-25 has been obtained from M/s R.P. Sehgal & Associates, Practicing Company Secretaries and has been filed in BSE & NSE on 22.04.2025, and placed as annexure to the Directors Report. Further, an Addendum to Annual Secretarial Compliance Certificate for the Financial Year 2024-25 was also filed in BSE & NSE on 20.05.2025.

(VII) Disclosure on Loans or Advances: There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

(VIII) Disclosure on Compliance with Accounting Standard: In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

(IX) All the recommendation of the Board Level Committee made during the FY 2024-25 have been accepted by the Board of directors of the Company.

(X) Disclosure on Materially Significant Related Party Transactions: During the year under review, the Company has not entered any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Details of related party transaction is provided in the accompanied financial statements.

(XI) Policy on Related Party Transactions: The Policy on Related Party Transactions has been approved by the Board and the same may be accessed on the Company's Website at the link: https://mtnl.in/Related%20Party%20transaction%20Policy.pdf.

(XII) Whistle Blower Policy: The Policy on Whistle Blower may be accessed on the Company's Website at the link: http://mtnl.in/whistleBlowerPolicy.pdf . The Company promotes ethical

behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior as defined under Regulation 22 of SEBI (LODR) Regulations, 2015. The Company has a Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee. During the year under report, no employee was denied access to the Audit Committee and no whistle blower complaint was received during the FY 2024-25.

(XIII) Policy on Material Subsidiary: The Policy on Material Subsidiary has been approved by the Board and the same may be accessed on the Company's Website at the link: http://mtnl.in/policy_materialsubsidy.pdf The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board Meetings along with the report on significant developments of the unlisted subsidiary companies are placed before the Board of Directors of the Company regularly. The Company does not have any material non-listed Indian Subsidiary Company. As per the decision taken in CoS meeting and conveyed by Department of Telecommunications (DoT) in a meeting to MTNL, Millennium Telecom Limited (MTL) is to be closed. The Board of Director in 359th Meeting of MTNL held on 14.08.2024 had approved the proposal for Closure of MTL, a wholly owned subsidiary of MTNL by complying with applicable DIPAM guidelines and all other processes as per SEBI/ Company laws and for making application to DoT for Presidential Approval and also requesting DoT for forwarding the application to DIPAM for taking in-principle approval of the proposal for closure of MTL from Alternate Mechanism (AM).

(XIV) Policy for Determining Materiality of an Event or Information: The Policy for determining Materiality of an event or information as defined under Regulation 30 of SEBI (LODR) Regulations, 2015 has been approved by the Board and the same may be accessed on the Company's Website at the link: https://mtnl.in/policy.html.

(XV) Dividend Distribution Policy: The Policy as prescribed under Regulation 43A of SEBI (LODR) Regulations, 2015 has been approved by the Board and the same may be accessed on the Company's Website at the link: https://mtnl.in/mddp.pdf.

(XVI) Preservation of Documents Required to be Maintained under SEBI (LODR) Regulations, 2015 & Archival Policy of information hosted on the Website of MTNL: This Policy as prescribed under Regulation 9 of SEBI(LODR) Regulations, 2015 & Archival Policy of information hosted on the Website of MTNL as prescribed under Regulation 30 of SEBI(LODR) Regulations, 2015 has been approved by the Board and the same may be accessed on the Company's website at the link: http://mtnl.in/Preservation.pdf .

(XVII) Internal Code of Conduct For Prevention of Insider Trading in Dealing with Securities of MTNL: - In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Revised Internal Code of Conduct for Prevention of Insider Trading in Dealing with Securities of MTNL. All the Directors, Employees of the Company

and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information (UPSI) of the Company, are governed under this Insider Trading Code. The Company Secretary of the Company is the 'Compliance Officer' for the purpose of this Regulation. The policy is available in the following link https://mtnl.in/INTERNAL%20CODE%20OF%20CONDUCT%20FOR%20PREVENTION%20OF%20INSIDER%20TRADING%20IN%20MTNL.pdf. The Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI) is also available in the following linkhttps://mtnl.in/CODE%20OF%20PRACTICES%20AND%20PROCEDURES%20FOR%20FAIR%20DISCLOSURE%20OF%20UNPUBLISHED%20PRICE%20SENSITIVE%20INFORMATION.pdf. All the Directors, employees and third parties such as Auditors, Consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this Code. The trading window is closed from the beginning of the Quarter till 48 hours after declaration of Financial Results and Notice of Closure of Trading Window is uploaded in MTNL's website https://mtnl.in/meeting.html and NSE and BSE websites on Quarterly Basis. Trading Restriction on shares of MTNL are imposed during the Closure of trading window period for all Designated person in MTNL by NSDL. The Company is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Company is also using SDD Software "My Insider UPSI" for entries relating to unpublished price sensitive information of the Company.

(XVIII) Business Responsibility and Sustainability Report for the FY 2024-25: In order to comply with Regulation 34 (2) of SEBI (LODR) Regulation, 2015 & SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, a Business Responsibility and Sustainability Report of MTNL describing the initiatives taken by MTNL on ESG (Environmental, Social and Governance) parameters has been prepared and placed as Annexure to Directors Report.

(XIX) Share Capital Audit: M/s Hemant Singh & Associates., Practicing Company Secretaries has carried out a Share Capital Audit in Quarterly basis during FY 2024 -25 to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The said report is also filed in NSE and BSE on Quarterly Basis.

(XX) Code of Conduct for Directors, Key Managerial Personnel and Senior Management Personnel: The Board of Directors of MTNL has approved the Code of Conduct for Directors, Key Managerial Personnel and Senior Management Personnel as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Code lays down in detail the standard of business conduct, ethics governance and centers on the following theme: "Integrity and transparency are the core value in all our business dealings. We shall act in compliance with applicable laws and regulations, in a manner that excludes considerations of personal advantage and will not compromise in our commitment to honesty and integrity in any aspect of our business. We are committed to excellence, in all our endeavors". The Code may be accessed in the Company's website http://mtnl.in/codeofconduct.pdf.

(XXI) Certificate by the CMD regarding Affirmation of Compliance of Code of Conduct for Board of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel for the FY 2024-25. The CMD has issued a Certificate of Compliance of the above code by all as under: -

Pursuant to Regulation 26 (3) and Schedule V (D) of SEBI (LODR) Regulations, 2015, I confirm that Board Members, Key Managerial Personnel and Senior Management Personnel of MTNL have affirmed compliance with the "MTNL's Code of Conduct" for Board Members, Key Managerial Personnel and Senior Management Personnel for the Financial Year 2024 - 25.

(A. ROBERT J. RAVI)
Chairman & Managing Director

Place: New Delhi
Date: 19.05.2025

(XXII) Means of Communication: -

a) The Quarterly, Half Yearly and Annual Financial Results were published in English and Hindi Newspapers along with QR Code on the SEBI prescribed format and are also posted on the Company's website i.e. https://mtnl.in/finres.html.

b) Annual Report: The Annual Report containing, inter-alia, Audited Standalone Financial Statements, Audited Consolidated Financial Statements, Director's Report, Auditor's Report, Business Sustainability Report, Management Discussion & Analysis (MD&A) Report and other important information is circulated to members through email and others entitled thereto & is also displayed on the Company's website www.mtnl.in and http://mtnl.in/annual.html in accordance with MCA Circulars.

c) NSE Electronic Application Processing System (NEAPS): NEAPS is a web based application designed by National Stock Exchange (NSE) for Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Disclosure of Events/ Information, etc. are filed electronically on NEAPS in order to comply with Regulation 10 of SEBI (LODR) Regulations, 2015 and the general public may view the same.

d) BSE Corporate Compliance & Listing Centre (the "Listing Centre"): The BSE's Listing Centre is the Web based application designed for Corporates. All periodical compliance filings like Shareholding pattern, Corporate Governance Report, Disclosure of Events/Information, etc. are filed electronically on BSE Listing Centre in order to comply with Regulation 10 of SEBI (LODR) Regulations, 2015 and the general public may view the same.

e) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

f) All filing in the Stock Exchanges are also simultaneously uploaded on the website of MTNL i.e. www.mtnl.in.

(XXIII) General Shareholder Information:

(1) Company Registration Details- The Company is registered with the Registrar of Companies, NCT of Delhi & Haryana on 28.02.1986. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L32101DL1986GOI023501.

(2) Date and Time of AGM– Friday, October 31, 2025 at 11.30 A.M. through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

Meeting is being conducted through VC/OAVM pursuant to the MCA Circulars dated May 5, 2020 read with General Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 05, 2022, December 28, 2022, September 25, 2023, September 19, 2024 and September 22, 2025 as such there is no requirement to have a venue for the AGM. For

details, please refer to the Notice of this AGM i.e. 39th AGM. As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meetings, Particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM i.e. 39th AGM.

(3) Venue - Through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

(4) Financial Year- 1st April 2025 to 31st March 2026

(5) Financial Calendar

Board meeting for considering Audited Annual Accounts for the year ended on 31.03.2025	28th May, 2025
Submission of Audited Accounts to C&AG of India	30th May, 2025
Board Meeting for Unaudited Reviewed Quarterly Financial Results for the Quarter ended on 30th June 2025	13th August, 2025
Board Meeting for Unaudited Reviewed Quarterly Financial Results for the Quarter ended on 30th September 2025	On or before 14th November, 2025
Board Meeting for Unaudited Reviewed Quarterly Financial Results for the quarter ended on 31st December 2025	On or before 14th February, 2026
Board Meeting for considering Audited Annual Accounts for the Year ended 31st March 2026	On or before 30th May, 2026

(6) Dates of Book Closure - 25th October, 2025 to 31st October, 2025

(7) Dividend Payment Date - N.A.

(8) Name and Address of each Stock Exchange at which Company Shares are listed and Stock Code

Listing on Stock Exchanges	Names	Address	Stock code
Equity Shares	Bombay Stock Exchange Limited (BSE Ltd.)	25th Floor, P.J. Towers, Dalal Street, Mumbai – 400001	500108
	The National Stock Exchange of India Limited, (NSE Ltd.)	Exchange Plaza, Plot no C/1, G – Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	MTNL

The Bond issued by MTNL are listed in BSE. Details of Bonds issued by MTNL as on 31.03.2025 are given in the Directors Report.

Applications for delisting of MTNL's shares from Delhi, Calcutta & Madras Stock Exchanges have been filed with the above mentioned Stock Exchanges on 16th October, 2012. The shares of the Company are delisted from Madras Stock Exchange w.e.f. 26.07.2013. Delhi Stock

Exchange has intimated MTNL vide its letter dtd. 18.04.2023 that after its de-recognition, de-listing of shares of MTNL is not applicable. No Confirmation of de-listing has been received from Calcutta Stock Exchange so far. However, the Company has not been paying listing fees to Calcutta Stock Exchange from the Financial Year 2013-14 onwards.

MTNL has de-listed its American Depository Receipts (ADRs) from OTCQX International Market, New York on 01.10.2022. As on 31.03.2025, there are no outstanding ADRs.

(9) Dematerialisation

Name	Address	ISIN
National Securities Depository Limited (NSDL)	Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013	INE 153A01019
Central Depository Services (India) Limited	17th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	INE 153A01019

(10) Corporate Identity Number (CIN) of MTNL - L32101DL1986GOI023501

(11) Payment of Listing Fees and Annual Custody Fee: Annual Listing Fees and Annual Custody Fees for the Financial Year 2025-26 and 2024-25 has been paid by the Company to BSE & NSE and NSDL & CDSL respectively.

(12) STOCK MARKET PRICE DATA: Information relating to high & low price during each month in the Financial Year 2024-25 at BSE and NSE is given here under: Opening Price on BSE as on 01.04.2024 was Rs. 33.13 and NSE as on 01.04.2024 was Rs. 33.45. Closing Price on BSE as on 28.03.2025 was Rs. 43.10 and NSE as on 28.03.2025 was Rs. 42.98. NSE and BSE was closed from 29.03.2025 to 31.03.2025.

52 Week High and Low (for FY 2024-25) in NSE is Rs 101.93 (on 29.07.2024) and Rs 32.55 (on 05.06.2024) respectively.

52 Week High and Low (for FY 2024-25) in BSE is Rs 101.88 (on 29.07.2024) and Rs 32.70 (on 05.06.2024) respectively.

The Market Capitalization of MTNL as on 31.12.2025 is Rs 3501.84 Crores (NSE) and the rank of MTNL is 870 among all the listed companies in NSE.

The Market Capitalization of MTNL as on 31.12.2025 is Rs 3502.32 Crores (BSE) and the rank of MTNL is 887 among all the listed companies in BSE.

Market price data – High, Low, and number of shares traded during each month in the last Financial Year 2024 - 25 are given below: -

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (No of Shares Traded)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (No of Shares Traded)
April, 2024	41.37	33.13	1,32,48,411	41.35	33.25	7,76,27,935
May, 2024	39.62	32.95	76,58,752	39.65	33.20	5,12,29,834
June, 2024	45.95	32.70	1,58,20,588	45.99	32.55	13,56,20,779
July, 2024	101.88	39.91	7,62,66,963	101.93	39.90	77,75,21,848
August, 2024	81.58	56.94	6,11,17,814	81.56	56.96	41,19,62,779
September, 2024	60.85	51.70	1,18,98,884	60.80	51.56	7,97,05,529
October, 2024	58.95	45.29	1,66,84,495	59.00	45.32	10,85,51,570
November, 2024	51.90	41.99	92,24,713	51.94	42.00	5,26,75,524
December, 2024	61.89	47.00	1,83,93,061	61.87	47.02	18,39,73,110
January, 2025	53.40	41.40	1,24,95,369	53.41	41.04	9,37,78,074
February, 2025	57.56	41.21	2,28,90,507	57.50	41.21	20,37,69,832
March, 2025	51.30	37.49	1,79,01,329	51.18	37.42	15,75,50,000

(13) REGISTRAR AND TRANSFER AGENTS OF EQUITY SHARES OF MTNL -

M/s. Beetal Financial & Computer Services (P) Ltd, 3rd Floor, Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062. Ph: 011-42959000-009, e-mail- beetalrta@gmail.com. All Investor's Grievances have been promptly attended by the RTA.

(14) REGISTRAR AND TRANSFER AGENTS OF DEBENTURES/ BONDS OF MTNL –

M/s. Beetal Financial & Computer Services (P) Ltd, 3rd Floor, Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi - 110 062. Ph: 011-42959000-009, e-mail- beetalrta@gmail.com. (For Bonds Series INE153A08089, INE153A08097, INE153A08105, INE153A08113, INE153A08121, INE153A08139, INE153A08147, INE153A08154, INE153A08162, INE153A08171 and INE153A08188).

(15) DEBENTURE TRUSTEE DETAILS –

1. SBICAP Trustee Company Limited, Mistry Bhavan, 4th Floor, 122, Dinshaw Vachha Road, Churchgate, Mumbai-400020, Contact person – Shri Rajiv Ranjan, Landline: 022 4302 5555/5566, E-Mail: rajiv.ranjan@sbicaptrustee.com. (For Bonds Series INE153A08089 and INE153A08097).

2. Beacon Trusteeship Limited, 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Contact Person: Shri Kaustubh Kulkarni, Telephone: 022-46060278, Website: https://beacontrustee.co.in/, E-Mail: compliance@beacontrustee.co.in. (For Bonds Series INE153A08105, INE153A08113, INE153A08121, INE153A08139, INE153A08147, INE153A08154, INE153A08162, INE153A08171 and INE153A08188).

(16) INFORMATION ON SHAREHOLDING IN MTNL -

(i) SHAREHOLDING PATTERN OF MTNL AS ON 31ST MARCH, 2025

S. No.	Category of Shareholder	Total No of Shareholders	Total number of Shares (Physical+ Demat)	Total number of Shares (Demat)	Total Shareholding as a % of Total number of Shares (Physical + Demat)
1.	President of India	1	354378740	354378740	56.25
2.	Mutual Funds	11	4500	100	0
3.	Financial Institutions/ Banks	8	99959	98259	0.02
4.	LIC	1	82659957	82659457	13.12
5.	Other Insurance Companies	2	1997514	1997514	0.35
6.	Bodies Corporate	813	7551001	7545001	1.19
7.	Individuals	430830	172446973	172348526	27.38
8.	Trusts	14	355353	355353	0.07
9.	HUF	3955	7033475	7033475	1.13
10.	Clearing Member	23	318735	318735	0.05
11.	Foreign Portfolio Investors	6	856430	856430	0.07
12.	NRI	1750	2281263	2281263	0.37
13.	Foreign Institutional Investor/ Foreign Companies	7	6600	6000	0
14.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0
15.	Any other (Shareholding by Companies or Bodies Corporate where Central / State Government is a Promoter)	3	9500	9500	0
	GRAND TOTAL	**437424**	**630000000**	**629888353**	**100**

Particulars	Total number of Shares	Total Shareholding as a %
Domestic shareholding	627211739	99.65
Foreign shareholding	2788261	0.35
Total	**630000000**	**100**

SHAREHOLDER HOLDING MORE THAN 5 % SHARES AS ON 31.03.2025

Name of Shareholder	Total number of Shares	Total Shareholding as a %
President of India	354378740	56.25
LIC	82659957	13.12

(ii) INFORMATION ON DISTRIBUTION OF EQUITY SHAREHOLDING AS ON 31ST MARCH, 2025: -

Share Holding of Nominal Value of Rs. 10	No. of Shareholders	% to Total Holders	No. of Shares	Amount in Rs	% to Total Share Capital
Upto 5000	385468	88.122	36463959	364639590.00	5.7879
5001 to 10000	26143	5.977	21104520	211045200.00	3.3499
10001 to 20000	13225	3.023	20048157	200481570.00	3.1822
20001 to 30000	4434	1.014	11408193	114081930.00	1.8108
30001 to 40000	1921	0.439	6915764	69157640.00	1.0977
40001 to 50000	1856	0.424	8839912	88399120.00	1.4032
50001 to 100000	2515	0.575	18909888	189098880.00	3.0016
100001 and above	1862	0.426	506309607	5063096070.00	80.3666
TOTAL	**437424**	**100.00**	**630000000**	**6300000000.00**	**100.00**

(XXIV) TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2025

Sl. No	Name of the Shareholder	No. of shares	%
1	President of India	354378740	56.2506
2	Life Insurance Corporation of India	82659957	13.1205
3	Rajesh Kumar Sahu	2123000	0.337
4	Shailesh Babalal Shah	1737900	0.2759
5	The New India Assurance Company Limited	1354544	0.215
6	Ravikumar Ramkishore Sanwalka	1060000	0.1683
7	Jitendra Sampatlal Sanghavi	879925	0.1397
8	Hitesh Ramji Javeri	850000	0.1349
9	Ramesh Babalal Shah	767975	0.1219
10	Mahesh Vithaldas Devani	699960	0.1111

(17) Dematerialization of Shares and Liquidity -As on 31st March 2025, 99.982% shares of the Company's equity share capital available in the market is in dematerialized form. The Company has entered into agreements with both the depositories of the Country viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), and the shareholders have an option to dematerialize their shares with any of them. The Code number allotted by NSDL and CDSL to MTNL is ISIN INE153A01019.

Sl. No.	Shares in Demat and Physical form (as on 31.03.2025)	No. of Shares	% of Issued Capital
1.	Held in Demat form in CDSL	10,93,83,922	17.362 %
2.	Held in Demat form in NSDL	52,05,04,431	82.620 %
3.	Physical Holding	1,11,647	0.018 %
	Total Number of Shares	**63,00,00,000**	**100 %**

(18) Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund (IEPF)

As the Company has not declared any dividend (Final/Interim), since FY 2009-10, Therefore, Provision of Transfer of Unpaid/Unclaimed amount to IEPF is not applicable.

(19) List of Credit Ratings obtained by MTNL along with any revisions thereto during FY 2024-25 for all debt instruments

During the year under review, Care Ratings Limited (CARE) vide its report dated 17.12.2024 have reaffirmed the ratings for the following Instruments of the Company as given below:-

Instruments Details	Amount (In Crores)	Reaffirmed ratings
Bonds	Rs 24,070.99	CARE AAA (CE), Stable
Long Term Bank Facilities	Rs 2,803.81	CARE D
Long Term /Short Term Bank Facilities	Rs 3,500	CARE D
Short Term Bank Facilities	Rs 5,335.10	CARE D

M/s Brickwork Ratings India Pvt Ltd vide its Report dated 12.09.2024 has reaffirmed rating of BWR AAA (CE) Rating Watch with Negative Implication on Rs 6,500 crore Bonds during the year under review.

M/s Indian Ratings & Research Pvt Ltd (India Ratings) vide its Report dated 21.02.2025 has reaffirmed rating of IND AAA (CE)/Stable Rating Watch with Negative Implication on Rs 17,570.99 crore Bonds during the year under review.

M/s CRISIL Ratings Limited (CRISIL) vide its Report dated 11.09.2024 has reaffirmed rating of CRISIL AAA (CE)/ Watch Negative (Placed on 'Rating Watch with Negative Implications') on Rs 6,500 crore Bonds during the year under review.

(20) Beneficiary Account

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI(LODR) Regulations,2015 MTNL has opened a Beneficiary Account under the name of "MTNL- Unclaimed Suspense Account" (DP ID- IN301330, Client ID- 21234840) for crediting Unclaimed Demat shares of MTNL on November 1, 2012 as under:

Details of MTNL– Unclaimed Suspense Account :-

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

Opening Balance (as on 01.04.2024)		Requests received and disposed of during FY 2024 -2025		Closing Balance (as on 31.03.2025)	
Cases	Shares	Cases	Shares	Cases	Shares
0	0	0	0	0	0

(21) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

As on March 31, 2025, the Company does not have any outstanding ADRs/GDRs/Warrants or any convertible instruments.

(22) Commodity Price Credit Rating Risk or Foreign Exchange Risk and hedging activities

As MTNL is a Service Provider Company, Commodity Price Risk or Foreign Exchange Risk is not applicable.

(23) Details of utilization of funds raised through preferential allotment or qualified institution placement as specified under Regulation 32(7A) of SEBI (LODR) Regulations, 2015

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI(LODR) Regulations, 2015.

(24) Total fees for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the Statutory auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part for the FY 2024-25, are given below: -

Sl.No.	Payment to Statutory Auditors	FY 2024-25 Rs. (In crores)
1.	Statutory Auditor	0.65
2.	Other Services including reimbursement	0.20
	TOTAL	**0.85**

(25) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013 –

Sl. No	Item	No. of Complaints received during FY 2024-25	No. of Complaints Pending at end of the Financial Year i.e. as on 31.03.2025
1.	Sexual Harassment	02	00

(26) Plant Locations

The Company has active operations of services in two metro cities i.e., Delhi and NCR and Mumbai including Thane District only.

(27) Investors' correspondence may be addressed to –

Shri Ratan Mani Sumit, Company Secretary and Compliance Officer, Mahanagar Telephone Nigam Limited, Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110 003 Tel: 91+11-24317225, Website: www.mtnl.in, E-mail Id: mtnlcsco@bol.net.in, mtnlcsco@gmail.com.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

CS
Mritunjay Shekhar & Associates
Company Secretaries
Email: shekharmritunjay3@gmail.com
MNo. 9540043975/8076567045

311B , Vikas Surya Galaxy, Plot No. 09,
Sector-4, Dwarka, New Delhi-110078
Website: https://www.msaprofessional.com
FRN-S2018DE619000
P R -2919/2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS FOR FY 2024-25

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s Mahanagar Telephone Nigam Limited having CIN:- L32101DL1986GOI023501 and having registered office at MAHANAGAR DOORSANCHAR SADAN, 5TH FLOOR, 9 CGO COMPLEX, LODHI ROAD, NEW DELHI DL 110003 INDIA** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1	A. Robert J. Ravi	10095013	15/07/2024
2	Dr. Kalyan Sagar Nippani	10421277	01/08/2024
3	Rajiv Kumar	09811051	02/12/2022
4	Alok Shukla	10849459	30/01/2025
5	Shivendu Gupta	09850201	05/01/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mritunjay Shekhar & Associates
Company Secretaries

(Mritunjay Chandra Shekhar)
FCS 12594
COP 20871
UDIN NUMBER: F012594G000029248

Place: New Delhi
Date: 04/04/2025

ANNEXURE TO CORPORATE GOVERNANCE REPORT

CEO AND CFO CERTIFICATION PURSUANT TO THE REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015 FOR THE FY 2024-25

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2025]

To,

The Board of Directors

Mahanagar Telephone Nigam Limited

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity's pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee;

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For and on behalf of MTNL

(Shri Anirudh Prasad Singh)
CFO/GM (Finance) MTNL CO
Place: New Delhi
Date: 28.05.2025

(Shri A. Robert J. Ravi)
CMD/CEO

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. **Corporate Identity Number (CIN) of the Listed Entity**: L32101DL1986GOI023501
2. **Name of the Listed Entity**: Mahanagar Telephone Nigam Limited
3. **Year of Incorporation**: 1986
4. **Registered Office Address:** Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110 003
5. **Corporate Address:** Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi-110 003.
6. **E-mail:** mtnlcsco@gmail.com**,** mtnlcsco@bol.net.in
7. **Telephone-** 011-24317225
8. **Website:** www.mtnl.in
9. **Financial Year for which Reporting is being done:** 2024-25
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Limited & National Stock Exchange of India Limited
11. **Paid-up Capital: Rs** 630 Crore
12. **Name and Contact Details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:** Shri Ratan Mani Sumit, Company Secretary, Tel no. 011-24317225, Email ID mtnlcsco@gmail.com, mtnlcsco@bol.net.in
13. **Reporting Boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) -** Standalone Basis**.**
14. **Name of the Assurance Provider –** Not applicable as per SEBI/HO/CFD/CFD/SEC-2/P/CIR/2023/122 dated 12.07.2023
15. **Type of Assurance Obtained -** Not applicable as per SEBI/HO/CFD/CFD/SEC-2/P/CIR/2023/122 dated 12.07.2023

II. Products/Services

16. **Details of Business Activities (accounting for 90% of the turnover):**

S. NO.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Basic & Other Services (Landline, Broadband, FTTH, Cellular)	Telecommunications	100%

17. Products/Services sold by the Entity (accounting for 90% of the Entity's Turnover)

S. No.	Name of Product/Service	Nic Code	% of Total Turnover Contributed
1.	Wireless Telecommunication Activities	612	2.22
2.	Wired Telecommunication Activities Activities of Basic Telecom Services: telephone, telex, and telegraph (61101) Activities of providing internet access by the operator of the wired infrastructure (61104)	611	97.78

III. Operations

18. Number of Locations where Plants and/or Operations/Offices of the Entity are situated:

Location	Number of Plants	Number of Offices	Total
National	NA	3*	3
International**	NA	NA	NA

* Corporate Office, Delhi Unit and Mumbai Unit. For operational efficiency, Delhi and Mumbai Units have offices in different areas/zones of Delhi and Mumbai.

**International Telecom Operations in 2 countries (Mauritius & Nepal) are served by Mahanagar Telephone Mauritius Limited (MTML), a Wholly Owned Oversees Subsidiary of MTNL in Mauritius and United Telecom Limited (UTL) Nepal a Joint Venture Company of MTNL in which MTNL holds 26.68% shares respectively.

19. Markets served by the Entity:

a. Number of Locations

Locations	Number
National (No. of States)	2*
International (No. of Countries)	NA
*Delhi & Maharashtra (Mumbai)	

b. What is the contribution of exports as a percentage of the Total Turnover of the Entity - Not Applicable

c. A brief on types of customers:

MTNL offers services in categories of wireless and wire-line telecommunication to the customers of MTNL The customers can use the various services such as Landline, Broadband, Mobile, FTTH, Leased Circuits, Enterprise services, MPLS, Industrial Training, Toll Free services, ISDN, EPABX, Universal Access Number, etc. Pursuant to the Service Agreement entered on 22.11.2024 with BSNL, the entire telecom operations of Company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. In pursuance of this agreement creation of Delhi BA, BSNL in telecom operational area of MTNL Delhi and Mumbai BA, BSNL in the telecom operational area of MTNL Mumbai has been notified by BSNL.

IV. Employees

20. Details as at the end of Financial Year: 31.03.2025

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	3031	2450	80.83	581	19.17
2.	Other than Permanent (E)	NOT APPLICABLE				
3.	Total Employees (D + E)	3031	2450	80.83	581	19.17
WORKERS						
4.	Permanent (F)	NOT APPLICABLE				
5.	Other than Permanent (G)					
6.	Total Employees (F +G)					

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	26	24	92.30	2	7.70
2.	Other than Permanent (E)	NOT APPLICABLE				
3.	Total Employees (D + E)	26	24	92.30	2	7.70
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NOT APPLICABLE				
5.	Other than Permanent (G)					
6.	Total Employees (F +G)					

21. Participation/Inclusion/Representation of Women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	05	0	0
Key Management Personnel	02	0	0

22. Turnover Rate for Permanent Employees and Workers (Disclose trends for the past 3 years):

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.571	0.688	0.593	0.552	0.058	0.610	0.574	0.109	0.683
Permanent Workers	NOT APPLICABLE								

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

23. (a) Names of Holding / Subsidiary / Associate Companies / Joint Ventures

S. No.	Name of the Holding/ Subsidiary / Associate Companies /Joint Ventures	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of Shares held by Listed Entity	Does the Entity indicated at column A, participate in the Business Responsibility initiatives of the Listed Entity? (Yes/No)
1.	Millennium Telecom Ltd. (MTL)	Wholly owned Indian Subsidiary	100	No
2.	Mahanagar Telephone (Mauritius) Limited (MTML)	Wholly owned Overseas Subsidiary	100	No
3.	MTNL STPI IT Services Ltd. (MSITS)	Joint Venture	50	No
4.	United Telecommunications Ltd. (UTL), Nepal	Joint Venture	26.68	No

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: NO

(ii) Turnover (in Rs.) 1,307.02 Crore

(iii) Net Worth (in Rs.) (-) 26,935.64 Crore

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the Principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Not Applicable						
Investors (other than Shareholders)	Refer to point no.1 https://mtnl.in/investors.html						
Shareholders	Refer to point no.1 https://mtnl.in/investors.html	4	0	All the 4 Complaints are resolved	2	0	All the 2 Complaints are resolved

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Refer Principle No 3 Point no 6						
Customers	Refer Principle No 9 and Point No 2						
Value Chain Partners	Not Applicable						
Other (please specify)							

Point No. 1. MTNL has Stakeholders Relationship Committee ("SRC") to examine and redress complaints by Shareholders/Bondholders. SRC meets as and when required and atleast once a year to resolve Shareholders/Bondholders Grievances. SCORES Platform & ODR Platform is also available for Shareholders to raise any complaints. Shareholders can also register their complaints to the Company, RTA, SEBI, BSE & NSE.

Point No. 2. In the case of Basic Telephone Service, following types of complaints are received from customers - billing related, customer service relayed, faults and network related, UCC related and VAS related. In the case of Broadband Service, following types of complaints are received from customers - billing related, customer service related, faults and network related, Internet / data related and VAS related.

Details of Customer Complaints (Basic Telephone Service & Broadband Service) For the Period From 01.04.2024 To 31.03.2025

S. No.	Particulars	Total Received		Total Pending		% of Pending Cases at the end of Financial Year	
		Mumbai	Delhi	Mumbai	Delhi	Mumbai	Delhi
1.	P.G. Cases	799	1262	19	14	2.37	1.11
2.	Landline Faults	133912	74882	13919	144	10.39	0.19
3.	Broadband Faults	13623	12702	1149	40	8.43	0.31

26. Overview of the Entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach toadapt or mitigate	Financial implications of the risk oropportunity (Indicate positive ornegative implications)
1.	Market/Competition Risk	R	Kindly refer to the Management Discussion and Analysis Report which is part of Directors Report for the FY 2024-25		Negative
2.	Policy and Regulation Risk & Regulatory Compliance	R			
3.	Technology Risk / Quality of Service	R			
4.	Operational Risk	R			
5.	Ongoing Concern Risk	R			
6.	Internal Control Failures and Integrity of Financial Information Risk	R			
7.	Information Technology & Systems Security Risk	R			
8.	Disaster Management and Business Continuity Risk	R			
9.	Greater Transparency and Entity Level Ethical & Governance Risk	R			

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your Entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available (Given in Annexure)	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your Entity and mapped to each principle.	N	N	N	N	N	N	N	N	N
5.	Specific commitments, goals and targets set by the Entity with defined timelines, if any	Not Available								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, Leadership and Oversight										
7.	Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (Listed Entity has flexibility regarding the placement of this disclosure) - The Company is committed to develop a suitable ESG framework for the organization.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								
9.	Does the Entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	NO								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	On Quarterly and Annual basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	On Quarterly and Annual basis								

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated - Not applicable.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage Coverage by Training and Awareness Programmes on any of the Principles during the Financial Year:

Segment	Total Number of Training and Awareness Programmes held	Topics/ Principal are Covered under the training and its impact	% age of person in respective category covered by the awareness programme
Board of Director	NIL	NA	NA
Key Managerial Personal	NIL	NA	NA
Employee other than BoD and KMPs	Total 87 numbers of training programmes were held during FY 2024-25	Trainings conducted on Company policies including; Upgradation on (Managerial and Technical), Cyber security, GeM Portal Procurement and industrial visit for Engineering College students.	
Workers	Not Applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the Entity's website):

Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	NSE BSE	46,13,800/-	For the financial year ended on March 31, 2025, the Company has complied with all requirements of SEBI (LODR) Regulations, 2015 the Companies Act, 2013 and rules made thereunder, applicable Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance, as amended from time to time, except Compliance related to Composition of Board of Directors, Composition of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Enterprise Risk Management Committee. As on 31.03.2025, there was no Independent Director on the Board of MTNL. Due to such non-compliances, NSE and BSE have imposed a total fine of Rs 46,13,800/- (including GST), for all the four quarters of FY 2024-25.	Yes

Monetary					
	NGRBC Principle	**Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
		Telecom Regulatory Authority of India (TRAI)	3,00,000/	TRAI order dated 04.04.2025 received on 04.04.2025 by MTNL for Rs 3,00,000/- Financial Disincentive imposed on MTNL for non-compliance of the Contravention of the provisions of the Quality of Service of Broadband Service Regulations, 2006 (11 of 2006) for the Quarter ending June 2024	TRAI issues Show Cause Notice after submission of PMRs by MTNL for not achieving the set benchmarks of parameters in any of Basic, BB and WS services as per Regulations/ Directions. Thereafter the FD orders are imposed by the Authority if not satisfied with the Show Cause Notice reply by MTNL.
			3,00,000/-	TRAI order dated 06.05.2025 for Rs 3,00,000/- Financial Disincentive imposed on MTNL for non-compliance of the contravention of the provisions of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 (7 of 2009) for the Quarter ending June 2024.	
Settlement	NIL	NIL	NIL	NIL	-
Compounding fee	NIL	NIL	NIL	NIL	-
Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**	
Imprisonment	NIL	NIL	NIL	NIL	-
Punishment	NIL	NIL	NIL	NIL	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	**Name of the regulatory/ enforcement agencies/ judicial institutions**
In connection with fine levied by NSE and BSE for non-appointment of Independent Directors, as stated in the previous question, since the power to appoint Directors on the Board of the Company vests with the Government of India, acting through the Administrative Ministry i.e., Department of Telecommunications (DoT), Ministry of Communication, Government of India, therefore the Company has been requesting the appointing authority, i.e., DoT, for appointment of requisite number of Independent Directors. The Company has no control in the appointment of Directors. In view of the same, the Company has requested the stock exchanges to waive off the said fines.	1. National Stock Exchange of India Limited 2. BSE
In connection with Financial Disincentive (FD) levied by TRAI Due to Contravention of the provisions of the Quality of Service of Broadband Service Regulations, 2006 (11 of 2006) for the Quarter ending June 2024, and Contravention of the provisions of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 (7 of 2009) for the Quarter ending June 2024.	Telecom Regulatory Authority of India (TRAI)

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes. The ethical conduct of the Company is reflected in the various policy initiatives. While the Employees Conduct, Discipline & Appeal Rules (CDA Rules) cover the employees at all levels in the organization. In addition, to promote ethical business, Policies like Code of Conduct, Integrity Pact, Whistle Blower Policy, Insider Trading Code and Citizen Charter have also been put into operation. CVC Manual is also being followed in MTNL Vigilance Unit

The Executives & Non-Executives in MTNL are governed by Conduct, Discipline & Appeal Rules, 1998 and Certified Standing Orders respectively. In this context, following links may be referred to: https://mtnl.in/Humanresource.html, https://mtnl.in/cc_appeal.PDF. Additionally, the Company has a Vigilance Department headed by Chief Vigilance Officer (CVO), who is a nominee of the Central Vigilance Commission. The Vigilance Department submits its reports to Competent Authority including the Board of Directors. The CVO also reports to the Central Vigilance Commission as per their norms. CVC Manual is being followed in MTNL Vigilance Unit.

5. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

As per record, no disciplinary action was taken against any Directors/KMPs/Employees/ Workers for the charges of bribery/corruption.

Ethics Complaints* received during the F.Y. 2024 -25				Bribery & Corruption Complaints received during the F.Y. 2024-25			
Total complaints	No. of Complaints Resolved	No. of Complaints pending	% of complaint resolved	Total complaints Received	No. of Complaints Resolved	No. Complaints pending	% of complaint resolved
-	-	-	-	17	17	0	100

*Note: As there is no category of complaint mentioned as ethics complaints as per CVC manual. All complaints which are administrative in nature (non-vigilance) are forwarded to concerned wing for needful action. During FY 2024-25, 124 such complaint was sent.

6. Details of Complaints with regard to Conflict of Interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of Complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

No complaints were received with regard to conflict of interest against Directors & KMPs in FY 2024-25 and FY 2023-24 respectively.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payable {(Accounts Payable*365)/Cost of goods/service procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payable	-	-

9. Openness of business

Provide details of Concentration of Purchases and Sales with Trading Houses. Dealers, and Related Parties along with Loans and Advances & Investments, with Related Parties, in the following format:-

Parameters	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from Trading Houses as % of Total purchases	NIL	NIL
	b. Number of Trading Houses where Purchases are made from	NIL	NIL
	c. Purchases from Top 10 Trading Houses as % of Total Purchases from Trading Houses	NIL	NIL
Concentration of Sales	a. Sales to Dealers/Distributors to whom sales are made	NIL	NIL
	b. Number of Dealers/Distributors to whom sales are made	NIL	NIL
	c. Sales to Top 10 Dealers/Distributors as % of total sales to dealers/distribution	NIL	NIL
Share of RPTs in	a. Purchases (Purchases with Related Parties/Total Purchases)	NIL	NIL
	b. Sales (Sales to Related Parties/Total Sales)	NIL	NIL
	c. Loans & Advances (Loan & advances given to Related Parties/Total Loans & Advances)	NIL	NIL
	d. Investments (Investments in Related Parties/Total Investments made)	NIL	NIL

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and Capital Expenditure (Capex) Investments in specific technologies to improve the Environmental and Social Impacts of Product and Processes to Total R&D and Capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvement in environmental and social impact
R&D	-	-	-
Capex	-	-	-

With reference to R&D and Capital Expenditure (Capex) Investments in specific technologies to improve the environmental and social impacts of product and processes, it is submitted that MTNL being a service provider is not involved in R&D and making investment in specific technologies to improve the environmental and social impacts.

2. (a) Does the Entity have procedures in place for Sustainable Sourcing? (Yes/No)

Yes, MTNL is following all the guidelines given by the Government of India for procurement of Goods & Services. MTNL integrates all Social, Ethical and Environmental performance factor into the process of selection supplies/vendors. The Company promotes GeM Portal (Government e-Marketplace) in its procurements and also promotes sourcing from MSME vendors. All procurement / sourcing of material and services is done as per the procedure defined in the Procurement Policy of the Company.

(b) If yes, what percentage of Inputs were sourced Sustainably?

Sl. No.	Procurement During FY 2024-25	(Rs. in Crores)
1.	Total Procurement during the year	51.4961
2.	Annual Procurement from Micro and Small Enterprises (MSEs)	51.4936
3.	Annual Procurement from MSEs owned by SC/ST Entrepreneurs	0
4.	Annual Procurement from MSEs owned by Women Entrepreneurs	0.4868
5.	Annual Procurement from GeM	7.65
6.	Annual Procurement from MSEs on GeM	7.62

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Disposal of old, unserviceable & obsolete IT equipment is primarily done based on the processes recommended by a Scrapping Committee constituted once the disposal of obsolete IT infra is contemplated.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all Employees, including those in their value chains

1. a. Details of measures for the well-being of Employees

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care facility	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employee											
Male	2450	2450	100	Not Applicable		Not Applicable		As per Rules		Included in Medical Policy	
Female	581	581	100			Included in Medical Policy		Not Applicable			
Total	**3031**	**3031**	**100**								
Other than Permanent Employee											
Male	Not Applicable										
Female											
Total											

b. Details of measures for the well-being of workers:

Not Applicable

c. Spending on measures towards well-being of Employees and Workers (including Permanent and other than Permanent) in the following format:

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of Total Revenue of the Company*.	2.18%	3.05%

*Medical expenses and allowances incurred during FY 2024-25 is Rs 28.51 crore and medical expenses and allowances incurred during FY 2023-24 is Rs 39.77 crore. Total Revenue of the Company during FY 2024-25 is 1307.02 Crore and FY 2023-24 is 1301.48 Crore respectively.

2. Details of Retirement Benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of Employees covered as a %of as a % of Total Employee	No. of Workers covered as a %of as a % of Total Workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of Employees covered as a %of as a % of Total Employee	No. of Workers covered as a %of as a % of Total Workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity*	100	NA	Y	100	NA	Y
ESI	Not Applicable					
Others	Not Applicable					

*Includes Employees who have opted CPF, the Gratuity will be payable by MTNL and Employees who have opted GPF, Gratuity is payable by Government of India.

3. Accessibility of workplaces

Are the premises / offices of the Entity accessible to Differently abled Employees and Workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the Entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

MTNL complies with provisions of Rights of Persons with Disabilities Act, 2016 to protect the interests of persons with disabilities. Reservation is provided as per the Government of India (GoI) instructions in direct recruitment for Persons with Benchmark Disabilities. Separate 100 point vacancy based reservation roster register is maintained for determining/ effecting reservation for the Persons with Benchmark Disabilities. Relaxation in age limit and standards of suitability (as applicable) is given to persons with disabilities. Liaison Officers for PwD have been appointed to look after reservation matters and to ensure compliance of instructions of the Act.

5. Return to Work and Retention Rates of Permanent Employees and Workers that took Parental Leave

Gender	Permanent Employee		Permanent Worker	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	Not Applicable	
Female	100	100		
Total	100	100		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

MTNL has its own Grievance Redressal Procedure for employees. Management of the Company believes in the philosophy of an Open Door Policy in the matter of redressal of employee grievances. An aggrieved employee can approach his/her Departmental Head or the concerned officer of the Personnel Department (including the Head of the Personnel Department) and discuss his/her grievance. Best efforts are made to enable prompt actions on the issues raised by the employee. The objective of the Grievance Redressal Procedure is to provide an easily accessible machinery for settlement of grievances, and to adopt measures as would ensure expeditious settlement of grievances, leading to increased satisfaction on the job and resulting in improved productivity and efficiency of the organization. To prevent adverse consequences to the complainant in discrimination and harassment cases, MTNL has appointed concerned Liaison Officers and constituted Committees.

7. Membership of Employees and Worker in Association(s) or Unions recognised by the Listed Entity:

Category	FY 2024-25			FY 2023-24		
	Total Employee/ Worker in respective category (A)	No. of Employee/ Worker in respective category who are part of Association(s) or Union (B)	%(B/A)	Total Employee/ Worker in respective category (C)	No. of Employee/ Worker in respective category who are part of association(s) or Union (D)	%(C/D)
Total Permanent Employee	3031	1410	46.42	3309	1538	46.47
Male	2450	1105	45.10	2674	1201	44.91
Female	581	305	52.49	635	337	53.07
Total Permanent Worker	Not Applicable					
Male						
Female						

8. Details of Training given to Employees and Workers:

Category	FY 2024-25					FY 2023-24				
Total Permanent Employee	Total	On Health and Safety measures		On Skill Upgradation		Total	On Health and Safety measures		On Skill Upgradation	
	(A)	No. (B)	% (B / A)	No. (C)	No. (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Male	2450	NIL	NIL	594	24.24	2674	NIL	NIL	1558	58.26
Female	581	NIL	NIL	191	32.87	635	NIL	NIL	358	56.37
Total	**3031**	**NIL**	**NIL**	**785**	**25.89**	**3309**	**NIL**	**NIL**	**1916**	**57.90**
Other than Permanent Employee (Industrial Visits)										
Male	NIL									
Female										
Total										

9. Details of Performance and Career Development Reviews of Employees and Worker:

Refer to the Point No.8 of Principle 3.

10. Health and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Considering the nature of business and operations, the occupational health and safety issues are minimal. The Company takes care of health and well-being of its employees

by reimbursing in-patient and out-patient medical costs, provision for leaves on medical grounds, which are applicable for all employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Refer to the Point No. 10 (a) of Principle 3.

c. Whether you have processes for Workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Not Applicable

d. Do the Employees/Worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

1. In order to ensure a safe and healthy workplace, requisite security measures, installation and maintenance of fire extinguishers and housekeeping measures have been taken in MTNL.
2. MTNL being an essential service provider of telecom services, MTNL has been scrupulously following COVID-19 prevention and management guidelines for all its stakeholders like social distancing, wearing of masks, and frequent hand sanitization.
3. Quarantine Leave has been provided for employees whose family members have been infected with COVID-19.
4. For employees and their family members requiring hospitalization due to COVID-19, Group Health insurance coverage upto Rs.6 Lakhs is being provided under Group Health Insurance Scheme.

11. Details of Safety Related Incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employee	Not Applicable	
	Worker		
Total recordable work- related injuries	Employee		
	Worker		
No. of fatalities	Employee		
	Worker		
High consequence worked-related injury or ill-health (excluding fatalities)	Employee		
	Worker		

12. Describe the measures taken by the Entity to ensure a safe and healthy work place.

Refer to the Point No. 10 (d) of Principle 3.

13. Number of Complaints on the following made by Employees and Workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending Resolution at the end of the year	Remark	Filed during the year	Pending Resolution at the end of the year	Remark
Working Conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

14. Assessments for the Year:

	% of your Plants and Offices that were assessed (by Entity or Statutory Authorities or Third Parties)
Health & Safety Practice	Not Applicable
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key Stakeholder Groups of the Entity.

We believe that engagement with Stakeholders is key to understanding their needs, working with them to minimise risks, maintaining social legitimacy, improving credibility and gaining their trust. We identified our Stakeholders as groups and individuals, who can influence or/are impacted by our operations/activities, change in technology, regulations, market and societal trends either directly or indirectly which comprise of communities, employees, supply chain partners, customers, investors, regulators, and civil society organisations for all its operations. We commit to engage openly and authentically with our stakeholders to enhance cooperation and mutual support for a sustainable development. The Company has mapped its internal and external stakeholders. Internal stakeholders include employees of the Company and external stakeholders include Department of Telecommunications (DoT), Ministry of Communications, Government of India, Equity Shareholders, Bondholders, Creditors, Vendors, Bankers, Consultants and Customers from both Public and Private Sectors, Governmental Bodies and Regulatory Authorities including TRAI, State Government(s), Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges, Registrar & Transfer Agent, Debenture Trustees etc.

2. List Stakeholder Groups identified as key for your Entity and the frequency of engagement with each Stakeholder Group.

Stakeholder Group	Whether identified as vulnerable & Marginalized Group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and Scope of engagement including key topics and concerns raised during such engagement
Employees	NO	Arranged regular interactions	Continuous	Health, safety and wellbeing, Growth through learning and development opportunities and Sense of belonging and purpose
Department of Telecommunication (DoT), Ministry of Communications, Government of India	NO	Meetings, Letter, Email, Telephonic Call	As and when required	For Compliance with directions issued by the Government of India
Customers	NO	Email, SMS, Newspaper, Advertisement Website, Telephonic Call	As and when required	For Customer Satisfaction and for redressal of their grievances
Vendors	NO	As needed: calls and meetings, emails, presentations, reviews.	At regular intervals	For operational requirements
Shareholders	NO	Email, SMS, Website, Letters, Telephone, Newspaper etc.	On Quarterly basis, through AGM/EGM, Postal Ballot and as and when required under SEBI Regulations	Communication of financial results, adoption of financial statement and transaction of ordinary and special business from time to time in AGM/EGM and through Postal Ballot. Addressing requests/grievances of Shareholders from time to time

Stakeholder Group	Whether identified as vulnerable & Marginalized Group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and Scope of engagement including key topics and concerns raised during such engagement
Bondholders	NO	Email, SMS, Website, Letters, Telephone, Newspaper etc.	As and when required in order to comply with SEBI LODR requirements	Allotment, Interest Servicing, Redemption Payment, Bond Certificate/Demat Credit. Addressing requests/ grievances of Bondholders from time to time.
Regulatory Bodies	NO	Meetings, Letter, Email, Telephonic Call	As and when required	For Compliance with directions issued by the Regulatory Bodies

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and Workers who have been provided training on human rights issues and policy (ies) of the Entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of Employees / Workers Covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers Covered (D)	% (D/ C)
Permanent Employee						
Male	Nil					
Female						
Total						
Other than Permanent Employee						
Male	Not Applicable					
Female						
Total						

2. Details of minimum Wages paid to Employees and Workers

Wages are paid to the Employees as per pay scales approved by the MTNL Board, i.e.

IDA pay scale approved by Department of Public Enterprises (DPE), Ministry of Finance, Government of India.

Category	FY 2024-25				FY 2023-24			
	Total (A)	Equal to Minimum Wage	More than Minimum Wage (B)	% (B/A)	Total (C)	Equal to Minimum Wage	More than Minimum Wage (D)	% (D / C)
Permanent Employee								
Male	2450	NIL	2450	100	2674	NIL	2674	100
Female	581	NIL	581	100	635	NIL	635	100
Total	**3031**	**NIL**	**3031**	**100**	**3309**	**NIL**	**3309**	**100**
Other than Permanent Employee								
Male	No Applicable							
Female								
Total								

3. Details of Remuneration/Salary/Wages, in the following format:

(a) Median Remuneration/Salary/Wages

	Male		Female	
	Number	Median Remuneration/ Salary/Wages of respective category	Number	Median Remuneration/ Salary/Wages of respective category
Board of Directors (BoD)*	5	NIL	NIL	NIL
Key Managerial Personnel	2	Not Available	NIL	NIL
Employees other than BoD and KMP**	2448	Not Available	581	Not Available
Workers	Not Applicable			

**Total Employees Benefit Expense during FY 2024-25 = Rs 570.29 Crore

*No Remuneration/Salary is paid to Whole time / Government Nominee Directors. Independent Directors are paid only sitting fees, reimbursement of travel, hotel expenditure for attending Board & its Committee meetings. As on 31.03.2025, there was 5 Directors on the Board of MTNL (3 Whole -time Directors and 2 Government Nominee directors)

(b) Gross Wages Paid to Females as % of Total Wages Paid by the Entity, in the following format:

	FY 2024-25	FY 2023-24
Gross Wages Paid to Females as % of Total Wages	19.12%	19.21%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company accords the highest priority for protection and upliftment of human rights and the Board and senior management are fully responsible and committed for addressing human rights impacts or issues caused or contributed, by the Company's business and any actions, broadly speaking. However, the Company believes that its employees shall live with social & economic dignity & freedom, and treated equally regardless of gender, race, economic status, caste or religion. The Company's support for the fundamental principles of human rights is reflected in the Company policies and actions towards our employees, suppliers, Customer and communities.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

MTNL has its own Grievance Redressal Procedure for employees. Management of the Company believes in the philosophy of an Open Door Policy in the matter of redressal of employee grievances. An aggrieved employee can approach his/her Departmental Head or the concerned officer of the Personnel Department (including the Head of the Personnel Department) and discuss his/her grievance. Best efforts are made to enable prompt actions on the issues raised by the employee. The objective of the Grievance Redressal Procedure is to provide an easily accessible machinery for settlement of grievances, and to adopt measures as would ensure expeditious settlement of grievances, leading to increased satisfaction on the job and resulting in improved productivity and efficiency of the organization.

6. Number of Complaints on the following made by Employees and Workers:

	FY 2024-25		
	Filed during the Year	Pending Resolution at the end of Year	Remarks
Sexual Harassment	2	0	NIL
Discrimination at workplace	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL
Wages	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013)	02	01
Complaints on POSH as % of Female Employees/Workers	02/581=0.34%	01/656=0.15%
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

MTNL has its own grievance redressal procedure for employees. Management of the Company believes in the philosophy of an Open Door Policy in the matter of redressal of employees grievances. An aggrieved employee can approach his/her Departmental Head or the concerned officer of the Personnel Department (including the Head of the Personnel Department) and discuss his/her grievance. Best efforts are made to enable prompt actions on the issue(s) raised by the employee. The objective of the Grievance Redressal Procedure is to provide an easily accessible machinery for settlement of grievances, and to adopt measures as would ensure expeditious settlement of grievances, leading to increased satisfaction on the job and resulting in improved productivity and efficiency of the organization. The Company has constituted an Internal Complaints Committee in MTNL CO, Delhi Unit and Mumbai Unit to look into the complaints on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and matters concerned therewith or incidental thereto covering all aspects as contained in the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Committee consist of the following members:

- A Presiding Officer: This must be a senior female employee of the organization.
- Two employee members: These employees must be aware and sensitive to gender issues and dedicated to the cause of women or possess some legal knowledge on related matters.
- One External member: This should be from an NGO or Association committed to the cause of women and issues related to sexual harassment. The composition should be such that half of the total members must be women.

Duties of the Internal Complaints Committee:

The Internal Complaints Committee once constituted, plays a pivotal role in the effective implementation of the provisions at the workplace. A general list of duties of the Committee is enumerated as follows:

- Implementation of the Anti–Sexual Harassment Policy at the workplace.
- Submit an Annual Report (Including details like the number of case files at their disposal, etc.)
- Bring about awareness about what comprises 'sexual harassment' at the workplace by way of workshops, posters, documents, notices, seminars, etc.
- Publicize the policy framework effectively.
- Provide the victims with a safe and accessible mechanism of complaint.
- Initiation of inquiry at the earliest.
- Redress the complaints in a judicious manner.

- Provide interim relief to the complainant.
- Provide an opportunity for conciliation wherever possible.
- Stick to the principles of natural justice at all stages of the proceedings.
- Whenever required, forward the complaint to the police.
- Submit the inquiry report along with recommendations.
- Maintain confidentiality in regard to the proceedings taking place before the Committee.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

MTNL has amended its Procurement Manual as suggested by Central Vigilance Commission (CVC) in its Board Meeting held on 28-05-2025. Various statutory provisions relating to Labour Laws, Taxation, Workmen Safety, Child and Women Labour, Private Security Agencies, Environmental Protection, Mining, Forest clearance, Employment reservations, as applicable has to be complied by the Vendor. Further, at the time of processing of bills from the Vendor, compliance of Labour Law Regulations such as proof of payment of wages, labour records muster roll, attendance cum wage slip including contribution of EPF/ESIC have to be taken from the Vendor and verified. The Vendor has to ensure safety, security and insurance or life insurance of their personnel who is working on the operation and maintenance works by taking insurance policy and payment of premium.

10. Assessments for the Year:

	% of your Plants and Offices that were assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	Not Applicable
Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of Total Energy Consumption (in Joules or multiples) and Energy Intensity, in the following format:

MTNL does not have production / manufacturing facility. It runs Telephone Exchanges in Delhi and Mumbai.

Steps taken by Mumbai Unit to reduce power consumption is given as below:

- Lights & fans in the unused cabins are switched off.
- Staff is requested to switch off lights & fans when not required & while leaving office.
- Old AC units are scrapped and new AC units installed as per requirement
- Old higher capacity Power plant and batteries are scrapped and new low capacity power plant and battery units are installed as per requirement.
- All old OCB/EWSD exchanges and DSLAMS are replaced with LMG. This result in reduction of power consumption.
- Scrapping of old, unused, faulty computers and other electronic equipment's like fax machines, printers, faulty telephone instruments, etc. to reduce E Waste.
- Scrapping of hazardous waste like exchange batteries, old power plants, AC units, etc. has been initiated.
- Initiated scrapping of other items like old papers, furniture (Wooden/Metal), vehicles etc.

Parameter	FY 2024-25			FY 2023-24	
	Delhi Unit	Mumbai Unit	Total	Delhi Unit	Mumbai Unit
Total electricity consumption (A)	1548856584	1901387988	3450244572	NA	2384609292
Total fuel consumption (B)	1368830.23	796788	2165618.23	NA	732060
Energy consumption through other sources (C)	3437028	0	3437028	NA	0
Total energy consumption (A+B+C)	1553662442.23	1902184776.00	3455847218.23	NA	2385341352
Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations)	0.55			NA	

2. Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

MTNL is a Telecom Service Provider Company and does not have production / manufacturing facility, therefore its water intensity is negligible

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kiloliters)		
1. Surface water	-	-
2. Groundwater	-	-
3. Third party water	-	-
4. Seawater / desalinated water	-	-
5. Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**-**	**-**
Water intensity per rupee of turnover (Water consumed / turnover)	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

4. Provide details of the following disclosures related to water discharged:

Not Applicable

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the Entity, in the following format:

MTNL is a Telecom Service Provider Company and does not have production/manufacturing facility. However, it complies with all applicable Environmental & Pollution laws and Regulations.

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others– please specify	-	-	-

7. Provide details of Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

MTNL is a Telecom Service Provider Company and does not have production/manufacturing facility. However, it complies with all applicable Environmental & Pollution laws and regulations. MTNL is also taking several steps to reduce Electricity consumption.

8. Does the Entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Not Applicable

9. Provide details related to Waste Management by the Entity, in the following format*:

Parameter	FY 2024-25	FY 2023-24
Total Waste Generated (in metric tonnes)		
Hazardous waste generated	-	-
Non-hazardous waste generated	-	-
Total	**-**	**-**
Waste diverted from disposal	-	-
Category of waste (Hazardous)	-	-
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**-**	**-**
Category of waste (Non Hazardous)	-	-
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-

*Considering the nature of business, the Company does not generate any material waste other than negligible quantity of e-waste. Disposal of old, unserviceable & obsolete IT equipment is primarily done based on the processes recommended by a Scrapping Committee constituted once the disposal of obsolete IT infra is contemplated.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Disposal of old, unserviceable & obsolete IT equipment is primarily done based on the processes recommended by a Scrapping Committee constituted once the disposal of obsolete IT infra is contemplated. Further, Adoption of working through e-File, email and messages has considerably reduced the waste generation.

11. If the Entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

12. Details of Environmental Impact Assessments of projects undertaken by the Entity based on applicable laws, in the current financial year:

Not Applicable

13. Is the entity compliant with the applicable Environmental Law/ Regulations/ Guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

MTNL is not a manufacturing company. Hence, the given question has limited relevance. However, the Company complies with applicable Environmental & Pollution Laws and Regulations in respect of its premises and operations

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:

Essential Indicators

1. a. Number of affiliations with Trade and Industry Chambers/ Associations.

NIL.

b. List the top 10 Trade and Industry Chambers/ Associations (determined based on the total members of such body) the Entity is a member of/ affiliated to.

S. No.	Name of the Trade and Industry Chambers/ Associations	Reach of Trade and Industry Chambers/ Associations (State/National)
1.	Telecom Equipment and Services Export Promotion Council (TEPC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Entity, based on adverse orders from regulatory authorities.

Not Applicable

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:

Essential Indicators

1. Details of Social Impact Assessments (SIA) of Projects undertaken by the Entity based on applicable laws, in the Current Financial Year.

Not Applicable

2. Provide information on Project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

MTNL has framed its Citizen/Client Charter which is available in the given link **https://mtnl.in/citizencharter.pdf.** Also Common Charter of Telecom Services 2005 is also available in the given link **https://mtnl.in/telecom05.html.** Telecom Consumer Charter for MTNL Delhi

Unit is given in the following link **https://mtnldelhi.in/ccdelhi.pdf.** Consumer Complaints Redressal Regulation in MTNL Mumbai Unit is given in the following link **https://mtnlmumbai.in/index.php/telecom-consumer-complaint-and-redressal-regulation.**

4. Percentage of Input Material (Inputs to Total Inputs by Value) sourced from Suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ Small Producers	99.99%	99.98%
Sourced directly from within the district and neighbouring districts	Not Available	Not Available

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Not Applicable

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Grievance Redressal Mechanism in MTNL Delhi Unit: - The following are the different mechanism for receiving and responding to consumer complaints and feedback :

a) Web Portal: "https://mtnldelhi.in".

b) Call Centre numbers:

Type of Service	Toll free Consumer care Number(s) at Complaint Centre(s)	Alternate Specific Number accessible from other networks	General Information Number	Alternate Specific Number accessible from other networks	Unified Access No
Landline	198	xxxx2198	1500	22221500	1130
Broadband	198, 1504	xxxx2198, 22221504	1504 ,1509	22221504	
FTTH	1507	22221507	1507	22221507	
GSM	1503	1800111503	1503	1800111503	
Leasedline	1918	01123325888	1918	01123325888	

"xxxx" stands for exchange code i.e. first four digits of Landline Telephone number.

c) Customers may contact to senior officials if required. The contact details of the MTNL senior officials are available on the MTNL Delhi website: https://mtnldelhi.in/customercare/senior.htm

d) Consumers may visit the nearby Sanchar Haat. List of Sanchar Haat is available on the website 'mtnldelhi.in'.

In case the complaint is not redressed within specified time-limit or if customer is not satisfied, then to accelerate the redressal of his complaint, he can lodge appeal to appellate authority. The details of Appellate Authorities of MTNL are available on website of MTNL Delhi (www.mtnldelhi.in). In addition, the customer has an option to lodge his grievance, in case of non-resolution of his grievances, on other platforms like: TRAI website: http://www.trai.gov.in Public grievances to the Central Government (Centralized CPGRAMS) website: http://pgportal.gov.in. Customer can also booked complaint through e-mail id.

Grievance Redressal Mechanism in MTNL Mumbai Unit : Following are the different mechanism for receiving and responding to consumer complaints and feedback:

a) Customers can book complaints online at website http://mtnlmumbai.in/.

b) Call Centre numbers:

Type of Service	Toll free Consumer care Number(s) at Complaint Centre(s)	Alternate Specific Number accessible from other networks	General Information Number	Alternate Specific Number accessible from other networks	Unified Access No.
Landline	198	xxxx2198	1500	22221500	1130
Broadband	198,1504	Xxxx2198, 22221504	1504,1509	22221504	
FTTH	1505	22221505	1505	22221505	
GSM	1503	1800221503	1503	1800111503	

"xxxx" stands for exchange code i.e. first four digits of Landline Telephone number.

c) Customers may contact to senior officials if required. The contact details of the MTNL senior officials are available on the MTNL website: https://mtnlmumbai.in/index.php/mtnl-senior- officers

d) Consumers may also visit Quick Customer Care Centre's (QCSCs).

2. Turnover of Products and /Services as a percentage of Turnover from all Products/Service that carry information about:

	As a Percentage to Total Turnover
Environmental and Social Parameters Product relevant to the (Energy Used, Water Consumed, No. of People involve in production etc)*	Not Applicable
Safe and Responsible Usage	
Recycling and/or Safe Disposal	

As, MTNL is a Telecom Service Provider Company, the above-mentioned point is not applicable.

3. Number of consumer complaints in respect of the Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive Trade Practices, Unfair Trade Practices, other:

In FY 2024-25, no such type of Complaints has received by MTNL.

4. Details of instances of product recalls on account of safety issues:

(a) Voluntary recalls – Number and Reasons for recall

(b) Force recalls – Number and Reasons for recall

Not Applicable as MTNL is a Telecom Service provider company and does not have production / manufacturing facility.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

MTNL has its IT security Policy only for internal use. Since it is for internal use only, it is not available for common Public. However, MTNL has placed some security advisories for common public on its websites. These security advisories are placed at https://mtnldelhi.in/advisory.htm or Mumbai, a link is available under the tab " Other Links" under head "Information Security Education and Awareness" at MTNL Mumbai Website i.e. www.mtnlmumbai.in.

IT system Security Audit of all applications and all associated ancillary IT systems including WFMS, FRS , Convergent billing and other billing systems is carried out by MTNL from time to time. Accordingly, the recommendation of Audit agency/firm are implemented to the extent possible to strengthen the security of IT system and infrastructure. All the customer data stored in IT systems, managed by MTNL or outsourced by it, is governed by standard data management policies and data is fully protected by various security arrangements done at various levels and IT systems is protected by very strong security frame work governed by three tier security structure which is fully secured and system of firewalls and IP based access to CDR system offers added security. Further new syslog servers and application was procured and is in use which has enhanced the security of MPLS network of MTNL.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not Applicable. Also kindly refer Point No 5 above.

7. Provide the following information related to data breaches:

(a) Number of instances of data breaches – NIL during FY 2024-25

(b) Percentage of data breaches involving personally identifiable information of customers - NA

(c) Impact, if any, of the data breaches - NA

FOR & BEHALF OF BOARD OF DIRECTORS

(A. ROBERT J. RAVI)
Chairman & Managing Director

Place: NEW DELHI
Date: 13.08.2025

ANNEXURE TO BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

P1	**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability** MTNL conducts its business activities with utmost importance to ethics, transparency and accountability. The various policies, codes and rules framed in this regard include:-	
	Name of the Policy	**Weblink**
	Guidelines on Corporate Governance	https://mtnl.in/corporategovernance.html
	Policy for Prevention of Fraud	https://mtnl.in/PIDPI.pdf
	Whistle Blower Policy	https://mtnl.in/whistleBlowerPolicy.pdf
	Code of Business Conduct and Ethics	https://mtnl.in/codeofconduct.pdf
	Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://mtnl.in/Related%20Party%20transaction%20Policy.pdf
	Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://mtnl.in/CODE%20OF%20PRACTICES%20AND%20PROCEDURES%20FOR%20FAIR%20DISCLOSURE%20OF%20UNPUBLISHED%20PRICE%20SENSITIVE%20INFORMATION.pdf
	Citizen Charter	https://mtnl.in/citizencharter.pdf
	In addition to the above, there are other policies and rules, which are internal documents of the Company and are accessible to the employees of the Company on Intranet.	
P2	**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.** Details of the Company's services are available at https://mtnldelhi.in/ and https://mtnlmumbai.in/. Further, CSR Policy of the Company is available at https://mtnl.in/csr_2014.pdf	
P3	**Businesses should promote the well-being of all employees** The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices. Such policies are normally approved by the Board of Directors and are accessible to the employees of the Company on the Intranet. https://mtnl.in/Humanresource.html	

P4	**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized** The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized. The Company works towards inclusive growth through its CSR Policy approved by the Board of Directors. The CSR Policy is available at https://mtnl.in/csr_2014.pdf
P5	**Businesses should respect and promote human rights** MTNL strives to safeguard and uphold human rights in all ways possible. The Company has a Code of Business Conduct & Ethics for its Board Members and Senior Managerial Personnel, which, *inter-alia,* casts moral imperative on the members of Senior Management to keep in mind the safety and protection of human life and environment and also to avoid discrimination on any grounds. The said Code is available at https://mtnl.in/codeofconduct.pdf
P6	**Businesses should respect, protect and make efforts to restore the environment**
P7	**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**
P8	**Businesses should support inclusive growth and equitable development** MTNL has framed its Citizen/Client Charter which is available in the given link **https://mtnl.in/citizencharter.pdf .** Also, Common Charter of Telecom Services 2005 is also available in the given link **https://mtnl.in/telecom05.html.** Telecom Consumer Charter for MTNL Delhi Unit is given in the following link **https://mtnldelhi.in/ccdelhi.pdf.** Consumer Complaints Redressal Regulation in MTNL Mumbai Unit is given in the following link **https://mtnlmumbai.in/index.php/telecom-consumer-complaint-and-redressal-regulation.**
P9	**Businesses should engage with and provide value to their customers and consumers in a responsible manner** Details are given in the following link:- www.mtnldelhi.in , www.mtnlmumbai.in

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FY 2024-25

This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

a. Industry Structure and Developments

Indian Telecom market has undergone significant changes over the past few decades. Initially, the market was a state-controlled monopoly dominated by BSNL and MTNL. The liberalization policies of the 1990s opened up the market to private players, leading to increased competition and innovation. The entry of Reliance Jio in 2016 marked a significant turning point, with its aggressive pricing strategy and focus on data services reshaping the market dynamics. In recent months, Indian telecom companies have announced price hikes ranging from 12% to 25% on their prepaid plans. This move has been driven by the need to improve their financial health amidst rising operational costs and the pressure to invest in new technologies like 5G. Despite the price increases, competition remains fierce. Companies are focusing on value- added services, customer service enhancements, and digital ecosystems to retain and attract customers. The telecom industry in India is regulated by the Telecom Regulatory Authority of India (TRAI) and the Department of Telecommunications (DoT). Regulatory policies play a crucial role in shaping market dynamics, ensuring fair competition, and protecting consumer interests. Key regulatory aspects include spectrum allocation, tariff regulations, quality of service standards, and consumer grievance redressal mechanisms. The regulatory environment has been instrumental in promoting competition and fostering innovation in the industry.

b. Opportunities and Threats

The Indian Telecom industry exemplifies an oligopoly market structure, dominated by a few key players such as Reliance Jio, Bharti Airtel, Vodafone Idea and BSNL. The market dynamics are characterized by high barriers to entry, interdependence among firms, and intense competition. While the oligopolistic nature of the market has led to lower prices, improved services, and innovative offerings for consumers, it also presents challenges such as limited choices and potential market concentration. MTNL and BSNL have entered into a "SERVICES AGREEMENT" on 22.11.2024 under which BSNL has been entrusted with the responsibility to undertake the maintenance and operational activities of MTNL's Telecom Services. This mutually binding Agreement has come into effect from 01.01.2025 between MTNL and BSNL and shall remain valid for a period of Ten (10) years unless it is revoked earlier by giving a notice of Six (06) months or extended by mutual consent between MTNL and BSNL.

c. Segment–wise or Product-wise Performance

MTNL operates its Telecom Services in broadly two heads:

1. Basic & Other services
2. Cellular

Segment wise performance of MTNL for the Financial Year 2024-25 as compared to FY 2023-24:

(Rs. In Crore)

SI. No.	Particulars	FY 2024-25	FY 2023-24
1.	Basic & Other services	616.18	699.73
2	Cellular	13.91	29.97
3.	Less Inter Segment Revenue	1.14	1.24
	Total Revenue from Operations	**628.95**	**728.47**

d. Outlook

MTNL and BSNL have entered into a "SERVICES AGREEMENT" on 22.11.2024 under which BSNL has been entrusted with the responsibility to undertake the maintenance and operational activities of MTNL's Telecom Services. This mutually binding Agreement has come into effect from 01.01.2025 between MTNL and BSNL and shall remain valid for a period of Ten (10) years unless it is revoked earlier by giving a notice of Six (06) months or extended by mutual consent between MTNL and BSNL. In pursuance of this agreement creation of Delhi Business Area, BSNL in telecom operational area of MTNL Delhi and Mumbai Business Area, BSNL in the telecom operational area of MTNL Mumbai has been notified by BSNL.

Launching 4G Services in Delhi and Mumbai: Department of Telecommunications (DoT) vide Office memorandum No.30-04/2019-PSU affairs dated 29.10.2019 had informed that Government of India (GoI) in its Cabinet meeting held on 23.10.2019 has approved the proposal of administrative allotment of spectrum to BSNL and MTNL for providing 4G services among other things. In a modification to this decision, the Group of Ministers (GoM) constituted on the matter of "Revival of BSNL and MTNL" approved allocation of 4G spectrum to BSNL in Delhi and Mumbai in place of MTNL in its meeting held on dated 21.12.2020. Accordingly, Mobile 4G network is under process of installation & rollout in Delhi and Mumbai by BSNL.

e. Risks and Concerns

Enterprise Risk Management (ERM) Policy is established by MTNL to identify, monitor, mitigate and minimize the risk and concerns that may impact the organisation. Details of Risk identified and its minimization & mitigation plan are given as Annexure to this Report.

f. Internal Control Systems and their adequacy

Except for the effects / possible effects of the material weaknesses described by the Statutory Auditors in its Report on the Internal Financial Control under Section 143(3)(1) of the Companies Act, 2013 for the FY 2024-25 which is attached as annexure to the Independent Auditors Report which is part of the report on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the Standalone Ind-AS financial statements and such internal financial controls with reference to the Standalone Ind-AS financial statements were operating effectively as on March 31, 2025 , based

on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

g. Discussion on Financial Performance with respect to Operational Performance

Details in respect of the above items are already covered in the Directors' Report.

h. Material developments in Human Resources / Industrial Relations front, including number of people employed

Details in respect of the above items are already covered in the Directors' Report.

i. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

The following are the key financial ratios as on 31.03.2025 and also compared to the previous two years i.e. F Y 2023-24 & 2022-23 respectively:

Some of the parameters have changed beyond 25% due to continued losses and reduction of income.

S. No.	Particulars	Year Ended 31.03.2025 Audited	Year Ended 31.03.2024 Audited	Year Ended 31.03.2023 Audited
A	Debt Service Coverage Ratio (in times) [EBITDA / (Finance Cost + Lease Liabilities Payments+ Principal Repayment of Long-Term Debt)]	0.06	0.01	0.02
B	Interest Service Coverage Ratio (in times) [EBITDA / Finance Cost]	0.07	0.02	0.07
C	Net Worth (in Rs Cr) (As per Section 2 (57) of Companies Act 2013)	(26935.64)	(23662.80)	(20,842.90)
D	Net Profit/ (Loss) After Tax (in Rs Cr)	(3323.51)	(3302.19)	(2,910.74)
E	Earnings Per Share (in Rs) [Not Annualised]	(52.75)	(52.42)	(46.20)
F	Current Ratio (in times) [Current Assets /Current Liabilities]	0.41	0.54	0.46
G	Debt-Equity Ratio (in times) [(Long Term Borrowings including Current Maturities + Short Term Borrowings) /Total Equity]	(1.20)	(1.27)	(1.35)
H	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	(4.61)	(9.72)	(8.99)

S. No.	Particulars	Year Ended 31.03.2025 Audited	Year Ended 31.03.2024 Audited	Year Ended 31.03.2023 Audited
I	Bad Debts to Account Receivable Ratio (in times) [Bad Debts/Average Trade Receivables]	0.02	0.02	0.09
J	Current Liability Ratio (in times) [Current Liabilities/ Total Liabilities]	0.35	0.28	0.38
K	Total Debts to Total Assets (in times) [(Long Term Borrowings + Short Term Borrowings + Lease Liabilities) /Total Assets]	3.19	2.82	2.44
L	Debtors Turnover Ratio - Annualised (in times) [Revenue from Operations / Average Trade Receivables]	1.21	1.36	1.39
M	Paid up Debt Capital (Outstanding Debt) (in Rs. Crs)	25628.09	25794.96	23,499.69
N	Operating Margin (%) [(EBIT - Other Income)/ Revenue from Operations]	(172.28) %	(162.73) %	(135.67) %
O	Net profit Margin (%) [Profit after Tax / Revenue from Operations]	(528.42) %	(453.31) %	(337.84) %

j. Details of any change in return on Net Worth as Compared to the previous financial year along with a detailed explained thereof.

In last few years the net worth of MTNL is negative. Therefore, is no change in return on Net Worth as Compared to the previous financial year.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, and others may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied. Several factors could make a significant difference to our operations.

FOR & BEHALF OF BOARD OF DIRECTORS

(A. Robert J. Ravi)
Chairman & Managing Director

Place: New Delhi
Date: 13.08.2025

ANNEXURE TO MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FY 2024-25

1. MARKET / COMPETITION RISK:

Sl. No	Risk Identified	Risk Minimization & Mitigation Plan
a.	The market of MTNL is limited to Mumbai and Delhi which restricts its ability to take advantage of growth in Group B cities. Private TSPs operating on a Pan India basis are competing with MTNL for basic as well as cellular services. The Private TSPs have the latest state of the art telecommunications infrastructure through which they are offering low-cost 4G mobile, fixed Wireline telephony as well as FTTH services.	As per the Government decision, BSNL will provide all telecom services in Delhi and Mumbai through leasing of operational assets or other appropriate models. With operations by BSNL in Delhi/Mumbai, MTNL would be left with land/building assets which it will continue to monetize to discharge its loan liabilities. Further, MTNL and BSNL have entered into a "SERVICES AGREEMENT" on 22.11.2024 under which BSNL has been entrusted with the responsibility to undertake the maintenance and operational activities of MTNL's Telecom Services. This mutually binding Agreement has come into effect from 01.01.2025 between MTNL and BSNL and shall remain valid for a period of Ten (10) years unless it is revoked earlier by giving a notice of Six (06) months or extended by mutual consent between MTNL and BSNL. In pursuance of this agreement creation of Delhi BA, BSNL in telecom operational area of MTNL Delhi and Mumbai BA, BSNL in the telecom operational area of MTNL Mumbai has been notified by BSNL.
b.	Telecom is a rapidly evolving technology driven industry and need for constant up-gradation of the network. The existing network of MTNL has become obsolete. The heavy debt burden and the recurring losses have resulted in a financial crunch, making MTNL unable to invest in the modernization, up-gradation and expansion of its network.	Due to poor financial condition MTNL was not able to invest in its network expansion and upgradation. As per the Government decision, BSNL will provide all telecom services in Delhi and Mumbai through leasing of operational assets or other appropriate models. With operations by BSNL in Delhi/Mumbai, MTNL would be left with land/building assets which it will continue to monetize to discharge its loan liabilities. Accordingly, MTNL and BSNL have entered into a "SERVICE AGREEMENT" on 22.11.2024 under which BSNL has been entrusted with the responsibility to undertake the maintenance and operational activities of MTNL's Telecom Services. The Service Agreement between MTNL and BSNL has become effective from 01st January 2025. According to the Service Agreement, BSNL shall be responsible to run MTNL's telecom services by undertaking maintenance and running activities of MTNL completely. Also, BSNL will invest capital (CAPEX) and other resources (OPEX) for the smooth running of the entire operation in Delhi and Mumbai. The CAPEX and related OPEX will be part of BSNL Balance sheet and EBITDA, and OPEX for MTNL assets will be part of MTNL EBTIDA. In pursuance of this agreement creation of Delhi BA, BSNL in telecom operational area of MTNL Delhi and Mumbai BA, BSNL in the telecom operational area of MTNL Mumbai has been notified by BSNL and the procurement in MTNL is now being done through BSNL tenders by placing add on order or by including MTNL's requirement in the BSNL's Tender.

Sl. No	Risk Identified	Risk Minimization & Mitigation Plan
c.	With the popularization of 4G services, MTNL is facing tough competition in Fixed Line and Broadband service segment. This has resulted into churn of MTNL's landline as well as Broadband customers to 4G Services of competitors. MTNL is offering Broadband Internet at 2-8 Mbps Speed, predominantly on ADSL2+ technology on Copper Wire. Though FTTH Services are also being offered with speed up to 1Gbp.In wireless segment MTNL is providing only 2G/3G service with limited coverage and capacity this has resulted in huge churn of wireless subscribers with negligible demand from only low value customers.	Government of India in its Cabinet Meeting held on 23-10-2019 had approved the proposal of administrative allotment of spectrum for 4G services to BSNL and MTNL. In a modification to this decision, the Group of Ministers (GoM) constituted on the matter of "Revival of BSNL and MTNL" approved allocation of 4G spectrum to BSNL in Delhi and Mumbai in place of MTNL in its meeting held on dated 21.12.2020. As per decision of the Union Government, with the allotment of the spectrum for providing 4G services to BSNL, the 4G services in MTNL area of Delhi and Mumbai will also be launched by BSNL. For this purpose, it has been decided that BSNL will roll out 4G network in Delhi & Mumbai Area with 4000 and 3000 E Node Bs sites respectively. MTNL and BSNL have entered into a "SERVICES AGREEMENT" on 22.11.2024 under which BSNL has been entrusted with the responsibility to undertake the maintenance and operational activities of MTNL's Telecom Services w.e.f. 01.01.2025. Also, BSNL will invest capital (CAPEX) and other resources (OPEX) for the smooth running of the entire operation in Delhi and Mumbai.

2. POLICY AND REGULATION RISK AND REGULATORY COMPLIANCE:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	Frequency authorization for the spectrum in 900 MHz bands is pending	The Union Cabinet in its meeting held on 27.07.2022 had decided for the administrative allotment of spectrum in 900/1800 MHz band with budgetary support as equity infusion in BSNL in FY 2022-23. Allotment of BSNL will be done in all LSAs with effect from 29.02.2020 and from the date of allotment in Delhi / Mumbai LSAs. The cost on pro rata basis will be settled for spectrum held by MTNL (5 MHz in Delhi and Mumbai) from 05.04.2019 till date of spectrum allotment to BSNL. Further, in a modification to a previous decision, Group of Ministers (GoM) constituted in the matter of "Revival of BSNL and MTNL" has decided to allot spectrum through equity infusion by Government of India, for providing 4G service to BSNL for Delhi and Mumbai (MTNL Areas) in place of MTNL. Now the 4G services in Delhi and Mumbai area will be launched by BSNL. In addition, MTNL Delhi and MTNL Mumbai Mobile services operation have already been handed over to BSNL w.e.f. 01.04.2021 and 01.09.2021 respectively as per instructions from the DoT.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
b.	As per the present Govt. Policy MTNL may be required to pay around Rs.1,718 Cr for one time spectrum charges for the spectrum held beyond 4.4 MHz w.e.f. 01.07.2008 till expiry of CMTS license i.e. 05-04-2019.	Presently, the issue of payment of one time spectrum charges is under litigation and the payment liability will be subject to the final outcome of the case filed in Supreme Court by Union of India against the judgment of TDSAT in favour of other telecom operators. The issue to withdraw the case in Supreme Court is being deliberated by Govt. and ultimate outcome may result into out flows of cash with retrospective effect prior to 2013 or prospectively from the year 2013. In any case either Rs. 1,718 crores or Rs 455 crores will have to be paid by MTNL and it is definitely going to cause financial burden and the risks attendant with such huge out flows.
c.	MTNL has adjusted the SUC and License fee amounting Rs. 821.98 Cr from the excess amount paid by MTNL on account of pensionary benefits in respect of Combined Service Pension Optees based on the Cabinet decision of Govt. of India on 09.01.14. However, the DoT is challenging the adjustment.	MTNL has taken up the issue with DoT and DoT has sought details of adjustment of the deductions made by MTNL from excess pension payouts. The risk of huge cash outflows due to rejection of adjustment of Rs 821.98 crores done by MTNL against the LF & SUC payable by it for the period from last quarter of 2013-14 to 2016-17 and the 2-G related liability on final decision of SC, which become applicable to MTNL as well, the stress on MTNL fiscal position will get compounded with present debt related excruciating stress
d.	In view of technological developments in telecom sector, TRAI's Regulations keep on changing e.g. Tariff, QoS parameters, reporting methodologies, new services and business opportunity etc. These Regulations have significant impact on revenue.	MTNL has to comply with TRAI Regulations and it's directions. In order to comply, additional investment in technology may be required which will affect the rate of return (ROI) of CAPEX
e.	Compliance risks: With regulatory landscapes constantly evolving, staying compliant is a major challenge. Non-compliance can result in hefty fines and damage to reputation. Complying with the provisions of the Companies Act 2013,	MTNL is giving proper training to its work force in order to ensure timely compliances with Statutory requirements. Due to various new regulations and compliances in place and online compliance on portal is also made mandatory and as long as MTNL remains as a listed company, the requirement of effective handling of all such regulatory compliances will be there and hence a full fledged team under CS MTNL will be required to mitigate any risk of noncompliance or imposition of penalties by stock exchanges. Particularly after regulation on reporting of events having price sensitivity, the careful handling of all matters connected by all concerned in MTNL and constant review by CS as

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
	SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015, IND AS & ICFR. Further, implementation of GST w.e.f. 01-07-2017 also added additional cost for MTNL. The need for regular revamping of the existing IT, Billing & Accounting software in compliance to GST requirement from time to time will add up further to the cost. The risk of imposing heavy penalties under GST and SEBI regulations as well as risk of debarring from the Exchanges for non-compliance or delay in compliance with equity and debt listing requirements also needs to be taken care of.	Compliance Officer requires a team effort in MTNL to support CS Section. All the units should also ensure their respective compliances, are in order and file compliance updates with the Company Secretary, for consolidation and reporting to the Board. Further, any reasons for probable prospective non-compliance shall be flagged before the appropriate authority.
f.	Besides mandatory E-invoicing of all B-2-B customer bills through GST portal initially from 01-04-2020 and thereafter postponed due to COVID-19 to 01-10-2020 was implemented and it further added the customization costs of all billing modules after it was implemented w.e.f. 01-01-2021. Besides from the same date, implementation of QR code on B2C bills also became mandatory and due to representations of industry, without penalty the same was postponed to 01-07-2021 and the QR	The risk cannot be avoided until an integrated ERM type billing and management system is in place. However, due to severe financial constraint the same has become unachievable. The scope of integrating with ERM of BSNL needs to be got examined in view of the ongoing proposal for operational merger of MTNL services into BSNL.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
	coding with ability to customers to pay on line by scanning the QR code was updated in billing systems in MTNL which added the operational costs further. Having various standalone billing systems without integration and also many of them are managed by different units with different vendor's support, the risk of non-integrated system causing issues in billing, payment with QR code and accounting of the same continues to loom large on MTNL	
g.	None of our Shareholders, Management or Board of Directors may take action in respect of any matter reserved for the President of India without his approval.	Under our Articles of Association, the President of India, on behalf of the Government of India, may also issue directives with respect to the conduct of our business and affairs, and certain matters with respect to our business, including the appointment of our Chairman and Managing Director and other Directors and the declaration of dividends. As a Government Company, we have to comply with directions of the Government.
h.	Government formalities, including requirements that many of our purchases be made through GEM only sometimes cause delays in our equipment and product procurement; these delays can place us at a disadvantage vis-a-vis the private sector competitors and also erode operational competitiveness resulting in to erosion of clientele strength for want of service standards on the same footing of private operators.	Such issues and risks are always associated with the operations of telecom business in a regulated environment and Government controlled processes and are to be pursued for compliance of regulatory issues and resolution of matters through sustained interaction with administrative ministry.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
i.	Intellectual Property (IP) Risks: Protecting intellectual property from infringement is crucial. Company must ensure that its IPR's are adequately protected and that they are not infringing on others' rights. Cases like Patent Infringement can lead to costly legal battles.	MTNL can hire panel lawyers, for an annual screening, to identify any misuse of its IPR and take early action. All employees should be advised to notify the Corporate Office legal team, for any known IPR infringement.

3. TECHNOLOGY RISK/QUALITY OF SERVICE:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	MTNL has not been able to pay its regular dues to infra-providers, where MTNL is running its mobile (2G/3G) sites. Due to this the infra-providers have restricted MTNL access to these sites leading to shutting off approximately one-third sites in Delhi and thereby severely hampering the MTNL's network. Although MTNL is meeting most of TRAI QoS parameters, however the network needs immediate up-gradation / expansion. The Capex investment was almost insignificant during the last 5 years owing to the financial constraints being faced by the company. Investment of approx. Rs. 2000 Cr is required over next 3 years for network up-gradation and expansion.	In line with the Government decision that BSNL will provide all telecom services in Delhi and Mumbai through leasing of operational assets or other appropriate model most of the procurement in MTNL is now being done through BSNL tenders by placing add on order or by including MTNL's requirement in the BSNL's Tender. During FY 2023-24 and 2024-25 following equipment / materials have been procured by BSNL for the upgradation of network in MTNL Delhi and Mumbai service area 1. MPLS network and firewalls. 2. Optical fiber cables of following configuration 24F (650 Km), 48F (400 Km) and 96F (335 KM). 3. BNGs for MTNL broadband network 4. Power plants and batteries

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
b.	MTNL has been providing 2G/3G services in the service areas of Delhi and Mumbai while other competitors have launched 4G services.	As a part of the Revival package, the Govt. had agreed for administrative allotment of spectrum with budgetary support to BSNL in order to implement 4G including in MTNL areas. As per decision of the Union Government, with the allotment of the spectrum for providing 4G services to BSNL, the 4G services in MTNL area of Delhi and Mumbai will also be launched by BSNL. BSNL is in process of rolling out 4G network in Delhi & Mumbai by installing 4000 sites in Delhi and 3000 sites in Mumbai.
c.	The NT switch technologies presently running in MTNL are also very old (more than 20 years and has crossed their shelf life). Number and nature of faults are getting critical day by day. Since, these NT switch based on TDM technologies have become outdated and obsolete There is an urgent need to migrate them to IMS/ NGN core for running MTNL's wireline services	MTNL Delhi (except in Central Area) & Mumbai wireline services have been migrated on BSNL NGN/IMS core network.
d.	Non-availability of support for C-DOT IMS Core installed at MTNL Migration of FTTH VoIP subscribers on BSNL network	FTTH VOIP services have been migrated on BSNL NGN/IMS core network
e.	Deployment of GPON FTTH and taking fiber to the HUB / near to the subscriber	MTNL FTTH services have been migrated on BSNL NGN/IMS core network. Further as per the "SERVICES AGREEMENT" BSNL will undertake the maintenance and operational activities. Also, BSNL will invest capital (CAPEX) and other resources (OPEX) for the smooth running of the FTTH operation in Delhi and Mumbai.
f.	In the post VRS scenario challenges were observed in the O&M of the MTNL own FTTH connections due to lack of field staff	MTNL had worked out, finalized and made operational the policy to engage partners on revenue share basis to extend its FTTx services. The Policy has been significantly liberalized so as to attract more revenue share partners. Significant upward revision has also been carried out for the Revenue share of the Partner.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
g.	The Core routers of Delhi and Mumbai are EOL (End of Life) since Dec 2017 and are working without any support. The MPLS network is the backbone of the entire network. Hence, it is critical to the functioning of the entire network- Upgradation of the MPLS Network	The MPLS network in MTNL Delhi and Mumbai service area along with the security solution has been upgraded by BSNL by installing 6 Core routers 78 Edge routers and 150 L-3 Switches.
h.	Need to further strengthen Customer interface/ FRS System for proper and prompt handling of customer complaint.	MTNL Customer is being informed at the time of issue of CAF about the various plans through pamphlet/brochures.

4. OPERATIONAL RISK:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	MTNL could be liable for stamp duty, if any, upon registration (other than with respect to the DOT properties acquired from the Government as of April 1st, 1986). Although MTNL has valid possession to all of its properties, but these need to be registered and stamped to acquire marketable titles to real properties in its possession for which stamp duty has to be paid. Hence MTNL cannot monetize or sell these properties without payment of stamp duties and registering the properties in its name. In case of merger/demerger acquisition amalgamation, the proper valuation and transfer of assets will be a serious concern in this situation	MTNL's assets located in prime locations of Delhi and Mumbai were transferred by an order of the Government of India (the Government) and a deed of sale was executed by the Government in its favour representing an irrevocable transfer. A formal transfer deed for real estate property of the DoT, transferred by the Government to MTNL has been executed but has not been registered with the appropriate municipal authorities. Indian law also requires payment of stamp duty (at rates which vary among states) on instruments, which effect transfer of title to real estate or in respect of leases of real estate assets. If MTNL is to make strategic sale, disinvestment or any other scheme of arrangement with the approval of Central Government or Govt. of India, it can claim or avail exemption on the stamp duty payable on such transaction.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
b.	Asset and Tower & Fiber monetization including valuation of assets has to be expedited by MTNL as per existing guidelines on this subject in consultation with Administrative Ministry wherever required.	The process for better utilization of its assets, such as buildings in Delhi and Mumbai, to generate additional revenue MTNL has already entered in to a memorandum of understanding (MoU) with BSNL to share the infrastructure and network of each other, in a bid to offer better services to their consumers. Further the building in Delhi & Mumbai is also given on rental for generation of additional revenues. These can be further used for advertisement, brand building and earn good revenue. Government has also approved the monetization of assets so as to raise resources for retiring debt, servicing of Bonds, network up gradation, expansion and meeting the operational fund requirements.
c.	Various litigations, involving MTNL are ongoing in respect of issues arising out of business operations. The same may incur financial risk to the organization contingent upon the outcome of such litigation	Constant review of risks of litigation has to be kept in place and any unforeseen risks arising need to be brought to the notice of ERM Committee immediately along with possible plan of action to remediate the same. ED Delhi and CGM Mumbai are to be enlisted by ERM Committee to review at regular intervals along with Corporate Legal team all such arising or pending legal cases to avoid any un-warranted risks and also for effective counter management of all litigations.
d.	**Contractual Risks** These arise from breaches, misinterpretations, or non-performance of contract terms. For instance, failure to deliver services as per a contract can lead to legal disputes and financial losses.	Monitor existing litigation and taking early action to ensure disputes do not escalate into costly litigation. Further, the disputes qua the contract terms shall be flagged at the earliest stage, for the legal opinion.
e.	Department of Telecommunications (DoT) has raised demands against AGR dues. Many of the deductions claimed by MTNL have not been allowed by DoT for want of additional documents viz. TDS certificates from auditors and auditor counter signatures on bank statements etc. MTNL has been making all out efforts to produce the records sought as and when the letters are received from DoT. follow the AGR conditions scrupulously.	The AGR issue is already under review of Administrative Ministry i.e. Department of Telecommunications (DoT) for an appropriate resolution.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
f.	**Financial/Liquidity/Debts Management Risk** To meet fund requirement for OPEX, CAPEX and Spectrum, the Company has borrowed Rs. 33,568 crores from Banks and Bond Holders as on 31.03.2025. MTNL has not paid Principal and Interest on all Bank loans except from Indian Overseas Bank from June 2024 onwards. It has not paid the interest on Indian Overseas bank Loans from December 2024 onwards. All the loans accounts of MTNL have been declared as Non-Performing Assets (NPA) by the banks. As a result the current account are freezed by the banks. MTNL is also unable to make payment of Interest/redemption of Principal to Bonds holders from July 2024 onwards from its own source. As Bonds issued by the Company is Sovereign Guaranteed, Debenture Trustees has been issuing Notice for Invocation of Guarantee to President of India. The Govt. of India has been funding the Escrow Account for making Interest/ Principal repayment to bondholders from July 2024 onwards. The monetization of assets to liquidate and service the outstanding debts and Resolution of Banks Loans is urgently required.	In view of unsustainable debts of MTNL, a Committee of Secretaries (COS) was constituted by Government of India to examine matters such as asset monetization, AGR dues, debt restructuring etc. for further course of action for merger of MTNL and BSNL. As per directions of CoS conveyed vide O.M. dated 01.10.2024 & subsequent approval of the MTNL Board through Resolution by Circulation dated 19.10.2024, MTNL offered settlement of 60% of the Loan (as recommended in the Negotiation Committee Report dated 19.09.2024) to Lender Banks but the same was rejected by the Lending Banks. Further MTNL has entered into escrow agreement with Union Bank of India (largest lender) on 04.11.2024 for implementing "Holding on Operation & Escrow Mechanism" so that the bank account operation keeps running unhindered for six months at zero % cutback. Further, the escrow agreement with Union Bank of India has been extended from 05.05.2025 for another six-months at same zero percentage cutback. Further, the Board approved the proposal as recommended by the Audit Committee to enter into a Service Level Agreement with BSNL for a period of 10 years unless it is revoked earlier by giving a notice of 6 months, or extended by mutual consent between the Parties in order to comply with the decision of CoS w.e.f. 01.01.2025. Herein, BSNL shall be responsible to run MTNL's telecom services by undertaking maintenance and running activities of MTNL completely

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
g.	Following risks are associated with "Manpower in MTNL": (i) Reduction in manpower strength due to Retirement / Resignation / Unauthorized absenteeism etc. (ii) Weakening of human resource capabilities due to VRS etc. (iii) Cost associated with employee turnover.	There should be a comprehensive employee retention policy aligned with the company's needs and vision. A Succession plan should be in place for identifying and developing employees for higher roles. Regular promotions should be granted to boost employee morale and retain skilled manpower. However, MTNL & BSNL have entered into service agreement under which BSNL has been entrusted to undertake the maintenance and operational activities of MTNL's telecom services, and, therefore, no policy formulation is being done. DoPT instructions / guidelines are followed in cases where MTNL Policy does not exist or is silent. Taking into consideration the financial condition of the company, a proposal to introduce VRS has been submitted to the GoI, to reduce employee wage cost.

5. ONGOING CONCERN RISK:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	Net worth of MTNL is negative as on 31/03/2025 to the tune of Rs. (-) 26,935.64 Crore and MTNL is facing liquidity crunch which will be a great threat to MTNL to keep it as an ongoing concern in near future but for the revival plans fructifying in time.	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. The Company has incurred a loss of Rs. 3323.51 crores during the period under report. The Company has been incurring continuous losses since year 2009-10 (except in FY 2013-14) and the net worth has been fully eroded for the year under report. Considering the continuous losses and negative net worth, the management has made an assessment of its ability to continue as a going concern. In pursuance DoT letter No. F.No. 30-04/2019-PSU Affairs dated 29th October, 2019 and decision of Board of Directors of MTNL through circular resolution on 04th November 2019, the MTNL Voluntary Retirement Scheme was introduced with effect from 04th November 2019 under which 14,387 number of MTNL employees of all grades opted and granted VRS to reduce the legacy staff costs inherited on account of absorption of employees recruited under Government w.e.f. 01.11.1998 and also on 01.10.2000 and the expenditure of ex-gratia on account of compensation was borne by the DoT/ Government of India through budgetary supports as per approval of the Cabinet. The Company therefore reduced the staff expenses by more than 75% which helped the company to reduce its costs and also thereby losses since 2019-20 onwards. Besides, the Government approved the monetization of the lands and buildings of the Company with assistance from DIPAM in order the get rid of the huge debt burden on the company. The monetization of land and buildings of the Company is in process. In addition

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
		to this, Government approved providing 4G license to BSNL and an infusion of fresh capital by the Government in lieu of granting 4G license. As per the deliberations, the maintenance and running of MTNL wireless network has also been taken over by BSNL from 01.04.2021 (in the case of Delhi) and from 01.09.2021 (in the case of Mumbai) onwards to improve the quality of services and also the launching of 4G services of MTNL as and when BSNL launches which also is likely to stabilize the revenue streams. Besides as per F.NO.20-28/2022-PR dated 2nd August, 2022, DoT conveyed the decisions of the Union Cabinet in its meeting held on 27.07.2022 for the raising of Sovereign Guarantee backed bonds for MTNL with a tenure of 10 years for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high-cost debt and restructure it with new sustainable loan which has been raised totalling Rs. 10,910 crores & Rs 6,660.99 crores. The Company will be able to manage the payment of interest due on Sovereign Guarantee backed bonds with the support of Government of India in the form of soft loan of Rs 1151 crore during the year 2024-25. Also, in view of such unsustainable debts of MTNL, a Committee of Secretaries was constituted by the Government of India to examine matters such as asset monetization, AGR dues, debt restructuring etc. for further course of action for the merger of MTNL & BSNL. The Government also allocated budgetary support of Rs. 1851 crores for network up gradation of MTNL by BSNL as a precursor to operational integration. Also, BSNL has to provide all telecom services in Delhi & Mumbai through leasing of operational assets or other appropriate models. Further pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the Company.
b.	MTNL has a Joint Venture in Nepal M/s UTL Nepal, which is incurring continuous losses and to rest the MTNL share of losses in UTL Nepal, MTNL has exercised the exit option on 30.01.2018 at par value from the of UTL Nepal as per clause no 12.19 of amended agreement on 15.12.2014 through which the JV partners with the exception of NVPL had the	The Ministry of Foreign Affairs, Govt. of Nepal vide letter dated 26.11.2019 has informed to the Embassy of India, Kathmandu (Nepal) that the authorities concerned of the Govt. of Nepal would be able to grant approval for repatriation of the capital invested by Indian Shareholders of UTL namely MTNL, TCIL and TCL, once the outstanding tax amount (tariff, royalties, fees, charges, etc.) of NRs 85,83,86,044.00 to be paid by UTL to the authorities concerned of the Govt. of Nepal including Nepal Telecommunication Authority, is completely settled. The issue is still pending and the same poses a risk for providing for the loss of investment if the Nepal Govt. does not accept the repatriation of the capital to the extent of the investment made. Now, MTNL in its Board meeting held on 28.05.2025

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
	option to exit the JV at par. Notice of Exit (sale of MTNL shares in UTL) was given on 30.01.2018 but so far the same has not been given effect by UTL/NVPL	has decided to request Nepal Ventures Private Ltd (NVPL) again to comply with Article 12.19 of the Fourth Amendatory Agreement dated 30.01.2018 regarding Exercise of Exit Option by MTNL from UTL.

6. INTERNAL CONTROL FAILURES AND INTEGRITY OF FINANCIAL INFORMATION RISK:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	Lack of effective Internal Control and Management Information System can put an organization in the risk of making ineffective policy and decision. Revenue assurance being also part of Internal control system should also be strengthened for avoiding any possibility of leakage of revenue. The system tools used for Internal Control and Revenue Assurance should also be controlled through review system for their appropriateness and adequacy. The new Companies Act 2013 made it mandatory for audit of internal controls on financial reporting from 2015-16 onwards which also adds up to Compliance risks.	The Statutory Auditors of MTNL have audited the internal financial controls over financial reporting of MTNL as of 31st March 2025 in conjunction with their audit of the financial statements of MTNL for the FY 2024-25 and issued their report on material weakness in the operating effectiveness of the Company's Internal financials control over financial as at March, 31, 2025, which will be addressed specifically during the ICFR testing to be done during FY 2024-25.

7. INFORMATION TECHNOLOGY & SYSTEMS SECURITY RISK:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
1.	**IT General Controls** Information Technologies are vital to MTNL operations. They are tools that improve the quality and efficiency of work. They are the repositories for critical and proprietary corporate information. Improper access to or the destruction of these resources will have serious consequences for the Company.	MTNL has circulated its IT Security Policy in May 2022 which incorporates general IT controls to be followed by all the concerned units i.r.o. all Line of Business (LoBs) & the corresponding networks.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
2.	**IT Application Controls** IT related resources such as Operational, Billing and Customer Care Systems are prone to hacking, spoofing and other cybercrimes.	IT system Security Audit of all applications and all associated ancillary IT systems including WFMS, FRS , Convergent billing and other billing systems is carried out time to time. Accordingly, the recommendation of Audit agency/firm are implemented to the extent possible to strengthen the security of IT system and infrastructure. All the customer data stored in IT systems, managed by MTNL or outsourced by it, is governed by standard data management policies and data is fully protected by various security arrangements done at various levels and IT systems is protected by very strong security frame work governed by three tier security structure which is fully secured and system of firewalls and IP based access to CDR system offers added security. Further new syslog servers and application was procured and is in use which has enhanced the security of MPLS network.
3.	**CBCRM System (Billing system for post-paid wireless services):** CBCRM system is quite critical from revenue perspective as a number of revenue activities are being done through it e.g. Voice IUC settlement, mobile rating, invoice generation etc. The project/its equipment's are running since 2006 and almost outlived its life. The major challenges are non-availability of source code, lack of support of various licenses due to prohibitive cost etc. Such constraints pose challenges in implementation/ feasibility of development as per the dynamic market conditions. BEL, the project implementer has already pulled out of the project in July'2014. Post, pullout, limited support has been finalized with various vendors through tender from June 2016 onwards on as-is-where-is basis.	CBCRM system is very old & was installed in 2005. The system is being used to bill the services like Post-paid Wireless, IUC and MNP for 2G and 3G mobile customers of MTNL. Government of India has mandated BSNL to provide 4G mobile services in Delhi and Mumbai area. It is expected that these mobile customers will be migrated to 4G network one the same is commissioned in Delhi and Mumbai and thereafter BSNL will take care of Billing of these customers. Since, there is very less demand of 2G and 3G mobile services of MTNL, there is no plan to procure and commission a new billing system for these mobile customers. Hence, MTNL is forced to use the old system till the migration of these subscribers takes places on proposed 4G network/service. At present, the system is down in Mumbai and running in Delhi without any support. As a mitigation plan, Mumbai unit has been asked to generate and send average bills to the customers till the CBCRM system is restored.
4.	**Billing for Wireline (Landline, BB, FTTH Services) :**	MTNL is using very old system for billing of wire-line services and the system is running without AMC at present. The competent authority has approved for the migration of billing for wire-line services on CDR Phase 2 Platform at BSNL Chandigarh Data Centre. However, the implementation of the same will take time.

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
5.	**Obsolete Hardware Infrastructure** Many of the hardware for providing core services and providing supportive/ workflow processes have become obsolete and need to be replaced due to EOSL and non-availability of spares e.g. the hardware for CSMS, ISP set up, BB, FTTH, CBCRM etc.	As BSNL is expected to take operation of all the services in MTNL Delhi and Mumbai area, the hardware of BSNL will be used and accordingly, the Obsolete Hardware Infrastructure will be phased gradually as and when the services are taken over by BSNL.
6.	**Network Security & Audit** Govt. of India has been focusing on strengthening the security of critical information infrastructure (CII) and many of the IT systems of MTNL have been declared as CII's. DOT vide its direction has mandated all ISP's to get their system audited once in a year.	The latest Network Audit has been carried out by CDAC/ NAAT team on the behest of DoT. The recommendations of Audit agency are being implemented to the extent possible to strengthen the security of IT system and infrastructure.
7.	**Analytics Engine** MTNL needs to move towards data led positioning and to install a customer analytics engine. Analytics will enable differential billing and Customer profiling basis on the history of usage of customer thereby helping MTNL in identification of target audience. With this Cluster assessment can also be implemented to identify potential high revenue clusters. MTNL needs to invest in real-time predictive analysis and tailoring products to customer. Customer analytics features can help to provide customer specific plans.	MTNL does not have an integrated ERP system. Different software packages used by the company are interfaced through software links or manual intervention leaving gaps between them. However, MTNL is having many standalone packages with interfaces. The risk of not having an ERP type of system is inherent. The scope of integrating with ERM of BSNL needs to be got examined in view of the ongoing proposal for operational merger of MTNL services into BSNL.
8.	Cyber Security	Cyber security is a continuous evolving activity and all efforts are being taken (subject to financial constraints) to strengthen the Cyber security posture of MTNL by following the best security practices. Further, MTNL also coordinates with various security organizations such as NCIIPC, Cert-In etc. and take prompt actions on the suspected security incidences flagged by them.
9.	Data Privacy risks: Data breaches are becoming increasingly common, and organizations must comply with data protection regulations to avoid severe penalties loss of trust and other legal repercussions.	MTNL IT teams may work with data protection and privacy experts, to ensure compliance with applicable laws, across its business. Any instance of risk shall be reported at the earliest stage for appropriate recourse.

8. DISASTER MANAGEMENT AND BUSINESS CONTINUITY RISK:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	Lack of Proper Disaster Management could become a threat to the business.	Disaster Management Plan is available both in Delhi and Mumbai. MTNL follows the Standard Operating Procedure (SOP) as outlined by DoT for counteracting the Disaster. Steps taken for managing Disaster is given as Annexure herewith.

9. GREATER TRANSPARENCY AND ENTITY LEVEL ETHICAL & GOVERNANCE RISK:

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	Policy to be framed to monitor the ethical level of all the concerned, so that any decision should be taken consciously with full care and applying due diligence	To ensure this Proper Vigilance Mechanism and Whistle Blower Policy is already in place in MTNL. Also there exist Code of Conduct for Board of Directors, Key Managerial Personnel & Senior Management Personnel which was approved by the Board of Directors of MTNL in its 307th meeting held on 21.05.2015.

10. APPOINTMENT OF CHIEF RISK CONTROL OFFICER IN MTNL

Sl. No.	Risk Identified	Risk Minimization & Mitigation Plan
a.	A Chief Risk Control Officer may be got engaged by Board for overall internal, external IT security and all other technical, financial and system related threat perception and management as well as IT and other cyber security control and audit related management etc. and also to assist the ERM committee.	MTNL may nominate Chief Risk Control Officer.

STEPS TAKEN FOR DISASTER MANAGEMENT IN MTNL

In order to ensure continuity of telecom services at technical level, sufficient redundancy is being maintained to prevent total network failure due to a single point of failure at the following level which is given below

1. **Card level:** N+1 or 1+1 redundancy is maintained on most of the Core / Control equipment
2. **Equipment level:** In MTNL the exchanges and the equipment are spread across the two cities. Transmission links between main Network Elements and switching equipment are being maintained mostly through distinct geographical paths.
3. **Geographical level:** The main elements of the network are maintained in duplicate at Delhi and Mumbai.
4. In addition to this sufficient number of spares and equipment are also maintained for emergency usage

Other measures adopted in case of disaster are as follows:

a) Nodal officers and alternate nodal officers at field level have been nominated for coordination related to disaster management.

b) MTNL also have a Quick response team at the field level for immediate provisioning of emergency communication and restoration of telecom services in disaster affected areas.

c) Multilevel connectivity for power and transmission is active both in Delhi & Mumbai.

d) For power battery backup exists and diesel generator sets are installed in all telecom buildings which are made operational during the power crisis.

e) Implementation of enhanced Multi level Precedence and Preemption (eMLPP) based Priority call routing is available in MTNL PSTN and is being activated as and when required.

f) MTNL also own Cell on Wheel (CoW) along with all necessary infrastructure and equipment which can be deployed by shifting on desired location to establish communication.

g) Level 112 i.e. Single access number for emergency services has been implemented.

h) Testing of Broadcast messages has already been successfully completed in MTNL Delhi 3G network with C-DoT.

Additional measures to be adopted in case of disaster are as follows:

1. Not keeping or concentrating all critical equipments at one point or place.
2. The development, documentation, and implementation of a schedule to regularly test the backups in accordance with best practices for the data holding system categorization and data classification for IT Data holding systems in order to restore by Rapid Disaster Management teams
3. Documentation of and adherence to best practices for backup of all necessary data held at various data and technical centers including applicable archival, compliance, preservation of data as per legal or regulatory or IT Security requirements
4. Logical and physical security considerations for archived and backed up data including management of such data of one geographical area at other area and vice versa for restoring all such data quickly in case of any disaster.

ANNUAL ACCOUNTS OF MTNL FOR FY 2024-25

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INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mahanagar Telephone Nigam Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of MAHANAGAR TELEPHONE NIGAM LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion Section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

(i) The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the year ended March 31st, 2025 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the year under review the Company has also defaulted in repayment of certain installments of term loan amounting to Rs. 1635.36 crores and interest on term loan amounting to Rs.213.60 crores.

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

These conditions cast significant doubt on ability of the company to continue as going concern. However, the standalone financial statement of the Company has been prepared on a going concern basis keeping in view that the Government of India is holding majority of the shareholding and the below-mentioned initiatives taken by the GOI.

Further, Union Cabinet has approved a revival plan involving employee cost reduction, administrative spectrum allotment for 4G, debt restructuring through sovereign-guaranteed bonds, asset monetization, and in-principal approval for merger with BSNL. Further, the Company had implemented the Voluntary Retirement Scheme in FY 2019-20 and also raised funds by issuing Bonds for Rs 6,500 crore in FY 2020-21 in line with the cabinet note.

The Union Cabinet further approved the issuance of Sovereign Guaranteed Bonds for MTNL for 10 years or more for an amount of Rs. 17,751 Crores, with waiver of guarantee fee.

During the year ended March 31st, 2023, the Company has raised Rs. 10,910.00 Crore and Rs. 6,660.99 Crores raised during year ended March 31st, 2024. (refer note no. 78 to the standalone financial statements).

Further, a Committee of Secretaries (COS) was constituted by Government of India for reviewing measures for further resolution, including debt restructuring, asset monetization and AGR dues.

Pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company.

In this regard, we have been informed that certain consumers in Delhi & Mumbai have been migrated to BSNL w.e.f. 01.01.2025 of which revenue has not been recognized by MTNL, amount of which is not ascertained and quantified. Consequently, there is a gap in revenue matching as the expenses of such revenue are borne by MTNL.

(ii) **Dues to/Receivable from Bharat Sanchar Nigam Limited (BSNL):**

a) The Company has outstanding receivables and payables with BSNL, with a net recoverable amount of Rs. 3,565.04 crores, which remains unreconciled and unconfirmed. Due to pending disputes and lack of confirmation, the recoverability and accuracy of these balances, their impact on the standalone financial results for the year ended March 31, 2025, cannot be determined.

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 overstatement of Current Assets and understatement of loss to that extent.

(iii) The Company has net recoverable balances of Rs. 232.76 crores with the Department of Telecommunication (DOT), which remain unreconciled and unconfirmed. Accordingly, we are unable to comment on the accuracy of these balances or their impact on the standalone financial statements for the year ended March 31, 2025. (Also refer point no. (a) of note no. 70 to the standalone financial statements).

(iv) The Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 197.87 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the correctness of the outstanding balance as above and resultant impact on standalone financial statements of the Company.

(v) Up to the financial year 2011-12, License Fee payable to the DOT on IUC charges to BSNL was worked out on an 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 the financial year 2012-13 onwards, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. (Refer note no. 82 to the standalone financial statements).

(vi) Apart from impairment losses previously recognized for CDMA assets, no further impairment has been accounted for under Ind AS 36 during the year ended March 31, 2025. Due to uncertainties in achieving the Company's future projections, we are unable to determine the adequacy of impairment provisions and their impact on the current year's loss, other equity, and the carrying value of cash-generating units. (Refer note no. 72 to the standalone 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 other

parties and amount payable to trade payables, claim payable to operators, and amount payable to other parties.

Accordingly, amounts receivable from and payable to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliation, the impact thereof on the standalone financial statements are not ascertainable and quantifiable. (Refer note no. 67 to the standalone financial statements).

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

(ix) Unlinked credit of Rs. 77.29 Crore 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 statements are not ascertainable and quantifiable. (Also refer note no. 66 to the standalone financial statements).

(x) Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by the finance department in respect of bought out capital items or inventory issued from the Stores. Due to 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 statements by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.

(xi) The Department of Telecommunication (DOT) raised a demand of Rs. 3,313.15 crores in 2012–13 towards one-time charges for 2G spectrum for the period of license already lapsed and also for the spectrum given on trial basis. As the matter remains sub judice and the issue of partial spectrum surrender is pending, no liability has been recognized for the same and an amount of Rs.3,205.71 Crores has been disclosed as contingent liability till FY 2018-19, although no further demands have been raised by the DOT. Based on TDSAT's directions and management's assessment, the potential liability is now estimated at a maximum of Rs. 455.15 crores and disclosed as a 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 statement of the Company. (Also refer note no. 61 to the standalone financial statements).

(xii) The company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without

installing sub meter in some of the cases. The actual impact of the same on the standalone financial Statement for the year ended March 31, 2025, has not been ascertained and quantified.

(xiii) 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 statement for the year ended March 31, 2025, has not been ascertained and quantified.

(xiv) The Company is making the provision for interest for late/non-payment to MSME vendors, but such interest is not being paid to the vendors. The interest provision is further subject to deduction of tax under section 194A of Income Tax Act, 1961.The actual impact of the same on the consolidated financial statements for the year ended March 31, 2025, has not been ascertained and quantified.

(xv) The organization has recognized accrued income of Rs. 145.84 crores from BSNL and other parties from the year 2017 to 2025; as billing could not be processed due to a lack of confirmation from the parties or because the agreements with them have expired. However, the organization has not accounted for the GST liability despite the services already being rendered. This results in non- compliance with Section 13 and Section 31 of the CGST Act, 2017.

(xvi) The Company currently recognizes Expected Credit Loss (ECL) only on Trade Receivables and not on other financial assets, specifically claim recoverable. This accounting treatment is not in compliance with Ind AS 109 – Financial Instruments, which mandates that ECL should be recognized on all financial assets measured at amortized cost or at fair value through other comprehensive income, including claim recoverable. The ECL model adopted by the Company requires a comprehensive review to ensure full compliance with Ind AS 109. However, the financial impact of provisioning required under the following balances has not been considered by the Company.

Particulars	**Amount (In Cr.)**
Recoverable from IUC operators	394.00
Recoverable from Others	442.83
Total	**836.83**

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (iv),(v), (vi), (vii),(viii), (ix), (x), (xi) (xii), (xiii), (xiv) (xv) and (xvi) on the standalone financial statements of the Company for the year ended on March 31, 2025.

Emphasis of Matters

We draw attention to the following notes on the standalone financial statements being matters pertaining to **Mahanagar Telephone Nigam Limited** requiring emphasis by us.

(i) Note – 9 of standalone financial statements, The share certificates of the subsidiary companies, namely Millennium Telecom Limited and Mahanagar Telephone Mauritius Limited, have not been provided to us for verification. Also, there is a discrepancy between the number of shares of United Telecom Limited (referred as Associates Company) as per the share certificates and the recorded in the books.

(ii) Note no. 29 of standalone financial statements regarding Loan given by Government of India amounting to Rs. 1,151.23 crore for payment of Interest on Sovereign bonds does not stipulate terms regarding interest thereon. Therefore, the company has not provided any interest as aforesaid.

(iii) Note no. 63 of standalone financial statements regarding pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Company u/s 80IA of the Income Tax Act, 1961, The company has created the Contingency reserve of Rs. 243.22 Crores in this regard.

(iv) Note no. 64(b) 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.

(v) Note no. 15 & 19 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.

(vi) Note No.78 The service agreement entered on 22.11.2024 (superseding the earlier agreement dated 18.08.2021) with BSNL, the entire telecom operations of the company in Delhi and Mumbai shall be run by BSNL w.e.f 01.01.2025. BSNL shall also take care of CAPEX and OPEX for the smooth running of operations and ensure EBIDTA neutral operations of the company.

(vii) Note No.70(d) regarding the amount recoverable from Department of Telecommunications ("DOT") in respect of settlement of General Provident Fund (GPF) amounting to Rs. 6.52 crores of Combined Service Optees absorbed employees in MTNL and the matter is still under review with DOT and the full amount of GPF including interest thereon, is continued to be shown as recoverable from DOT and payable to GPF.

(viii) Note No.78 In pursuance of DoT letter No. F.No. 30-04/2019-PSU Affairs dt. October 29, 2019 and decision of Board of Directors of MTNL through circular regulation on November 4, 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from

November 4, 2019 under which 14,387 number of MTNL employees opted for VRS and the expenditure of ex-gratia on account of compensation to be borne by the DOT/Government of India through budgetary supports as per approval of cabinet. Balance amount payable to VRS opted employees as on March 31, 2025 is shown in the financial statements of the company as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL.

(ix) Note No. 82 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.

(x) Note No. 82 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.

(xi) Note No. 19(iv**)** 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.

(xii) Note 58(A) 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 March 30, 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'.

(xiii) Note No. 60 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 the books of accounts of the Company.

(xiv) Note No. 67 Regarding amount of receivable and payables (Including NLD/ILD Roaming operators) are subject to confirmation & reconciliation. The recoverable and payable from operators are under constant review and regular efforts are being taken for reconciliation

and recovery of old outstanding dues. Adjustment if any may be required will be done once the reconciliation process is done.

(xv) Note No. 80 Regarding amount payable to GPF trust is currently in the process of reconciling its liabilities to determine the provident fund payables to employees. The adjustment if any resulting from this re-computation/ reconciliation will be recognized once the reconciliation process is completed.

(xvi) Note No. 24 regarding defaults in bank loan repayment amounting to Rs.1848.96 crores, where such bank accounts have been declared as NPA by the respective banks except one bank. The company has initiated with the lender banks for possible resolution and settlement of such items.

(xvii) Provisional income being booked under Revenue from Operations due to non-functioning of the billing software in some areas in the Delhi Unit and Mumbai Unit.

(xviii) In accordance with the requirement of section 149 of the Companies Act, the company does not have requisite number of independent directors and women directors.

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

Material uncertainty related to going concern

We draw attention to Note 78 of the financial statements, which highlights that the Company has incurred net losses and cash losses in the current and previous years, its net worth is fully eroded, and current liabilities significantly exceed current assets. These conditions indicate a material uncertainty about the Company's ability to continue as a going concern.

However, the Union Cabinet has approved a revival plan for BSNL and MTNL, including employee cost reduction, 4G spectrum allotment, debt restructuring through sovereign guarantee bonds, asset monetization, and an in-principle approval for their merger. The Company implemented a Voluntary Retirement Scheme in FY 2019–20 and raised Rs. 6,500 Crore through bonds in FY 2020–21.

Further, the Cabinet approved raising Rs. 17,571 Crore via sovereign guaranteed bonds to replace high- cost debt. A Committee of Secretaries (CoS) is also evaluating measures for MTNL's financial sustainability and merger with BSNL.

In line with CoS directions, the Board has approved a 10-year Service Level Agreement with BSNL (effective from 01.01.2025), under which BSNL will fully manage MTNL's telecom operations.

These conditions cast significant doubt on ability of the company to continue as going concern. However, the standalone financial statement of the company has been prepared on a going concern basis keeping in view of the facts stated in Basis of Qualified opinion para of the report.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the basis of qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key Audit Matter	How our audit Addressed the key Audit Matter
1	**Revenue Recognition:** There is an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of changing pricing models to revenue recognition (tariff structures, incentive arrangements, discounts etc.) Refer Notes no. 57 to the standalone financial statements.	Our audit approach included control testing and substantive procedures covering in particular: • Testing the IT environment (i.e., IT general controls) in which billing, rating and other relevant support systems reside, including the change control procedures in place around systems that bill material revenue streams. • Testing the end-to-end reconciliation from business support systems to billing and rating systems to the general ledger. This testing includes validating material journals processed between the billing system and general ledger. • Performing tests on the accuracy of customer bill generation on sample basis and testing of a sample of the credits and discounts applied to customer bills: and testing receipts for a sample of customers back to customer invoice.
2	**Uncertain Taxation Matters:** The Company has material uncertain tax matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note no. 50 and 63 to the standalone financial statements.	We have obtained details of completed tax assessments and demands up to March 31, 2025, from the management. We assessed the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. We also considered legal precedence and other rulings, including in the Company's own cases, in evaluating management's position on these uncertain tax positions.

Sr. No.	Key Audit Matter	How our audit Addressed the key Audit Matter
3	**Contingent liabilities** There are numbers of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key aud it matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias. (Refer to Note no. 50 of standalone Financial statements.)	We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures. • understood and tested the design andoperating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases. • discussed with the management any material developments and latest status of legal matters. • read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosures of contingent liabilities. • examined management's judgements and assessment whether provisions are required. • considered the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote. • reviewed the adequacy and completeness of disclosures.
4.	The Company has significant receivables and payables balances, including long-outstanding balances government of India, Department of Telecom and other private telecom operators etc. The assessment of the recoverability of receivables and completeness of payables is considered a key audit matter due to: • The materiality of these balances to the financial statements.	Our audit procedures included, among others: • Understanding the Company's processes and internal controls over the recording, monitoring, and reconciliation of receivables and payables. • Performing substantive testing on a sample of receivables and payables by examining underlying invoices, contracts, and correspondences.

Sr. No.	Key Audit Matter	How our audit Addressed the key Audit Matter
	• Significant judgment involved in assessing the recoverability of receivables, especially those pending resolution due to contractual disputes, reconciliation issues, or administrative delays—common in dealings with government entities. • Complexity in assessing the aging, confirmation status, and settlement patterns of receivables and payables, particularly where balances are netted off under bilateral arrangements or interconnect agreements. • Application of Ind AS 109 Financial Instruments in determining Expected Credit Losses (ECL) requires management estimates around default risk, historical loss trends, and macroeconomic conditions.	• Reviewing ageing reports and assessing subsequent receipts and settlements to evaluate recoverability and completeness. • Evaluating the methodology used by management in determining Expected Credit Loss (ECL) under Ind AS 109, including assumptions regarding risk of default, segmentation of customers, and historical loss experience. • Assessing management's estimates for provisioning, particularly for receivables from government departments and inter- operator settlements. • Preforming test regarding any claims lodged by any of the party and the disclosure thereof in the financial statement. • Reviewing disclosures made in the financial statements to ensure compliance with Ind AS requirements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's report, Management Discussion and analysis and report on Corporate Governance but does not include the standalone financial statements and our auditor's report there on. The above-mentioned other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those Charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

The comparative financial statements for the year ended 31st March 2024 included in these Standalone financial statements have been audited by B.M. Chatrath & Co. LLP Chartered Accountants jointly with D. K. Chhajer & Co. then joint statutory auditors of the company, whose audit report dated May 29, 2024 expressed qualified opinion on the comparative financial statements.

Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in term of sub section (11) of section 143 of the Act, we give in the ''Annexure A'' a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(5) of the Act, we give in "Annexure B" a statement on the matters specified by the Comptroller and Auditor General of India for the Company.

3. As per the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, reporting in accordance with the requirement of provisions of section 197(16) of the Act is not applicable on the Company.

4. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters described in the Basis for Qualified Opinion Paragraph above.

   b) Except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, except for the matters described in the Basis of Qualified Opinion Paragraph above, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e) Being the Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub- section (2) of section 164 of the Act, are not applicable to the Company.

   f) The matters described in the Basis of Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C" wherein we have expressed a modified opinion.

h) The qualification relating to the maintenance of accounts and other matter connected there with are as stated in the Basis of Qualified Opinion Paragraph above.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer to note no. 50 of the Standalone financial statements).

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There is no amount which is required to be transferred to Investor Education and Protection Fund by the Company. Accordingly, reporting under this clause is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year. Accordingly, the provision of Section 123 of the Act is not applicable.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (Edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, as represented by the management the edit log is maintained through a "Database trigger" maintained in the system. The database trigger can only be altered by super user/DBA. However, as confirmed by the management there are no instance of the audit trail feature being tampered with during the year ended March 31, 2025.

Additionally, the audit trail has been preserved by the company in accordance with the statutory requirements for record retention.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No.: 00018N/N500091

CA Nitin Jain
Partner
Membership No.: 510841
UDIN: 25510841BMNYFH6092

Place: Delhi
Date: 28-05-2025

For S.L. Chhajed & Co. LLP
Chartered Accountants
Firm Registration No.: 000709C/C400277

CA Vijit Baidmutha
Partner
Membership No.: 406044
UDIN: 25406044BMICPI7072

Place: Delhi
Date: 28-05-2025

ANNEXURE-A

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our Independent Auditor's Report of even date to the members of Mahanagar Telephone Nigam Limited on the Standalone Financial Statements for the year ended 31st March, 2025.

(i) (a) (A) Delhi unit (Both basic and Wireless) has maintained records of Property, Plant and Equipment. However, identification numbers, cost of acquisition and location of the Property, Plant and Equipment are not mentioned.

In case of Mumbai units (both basic and WS), Property, Plant and Equipment Registers have been maintained w.e.f. 01.04.2002. However, location of property, Plant and Equipment has not been mentioned in the Property, Plant and Equipment Registers.

The Corporate office has maintained Property, Plant and Equipment; however, identification numbers and location of Property, Plant and Equipment are not mentioned.

(B) The Company has maintained proper records showing particulars of intangible assets, however sufficient description of intangible assets, identification numbers and location of intangible assets are not maintained.

(b) As per the policy of the Company, Property, Plant and Equipment are required to be physically verified by the management on rotation basis, once in three years, which in our opinion is reasonable and adequate in relation to the size of the Company and the nature of its business. Physical verification of Property, Plant and Equipment was conducted by the management during the year ended on March 31, 2025, except corporate office and RF feeder cables in Delhi Wireless unit. As per Management, it is not practically feasible to verify/measure the length of RF feeder cables in wireless as the cables are underground. According to the information and explanation given to us, no material discrepancies were noticed in respect of Asset verified by the management. The accuracy, reliability and completeness of the fixed assets verification procedure could not be verified by us.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

In respect of Delhi Units:

The value of the immovable properties as per title deeds are subject to reconciliation with books of accounts.

Amount in Crores

Description of property	Type of Propertie s	Gross Carryin g value	Held in name of	Whether promoter, director or their relative or employee	Period heldindicate range, where appropriate	Reason for not being held in name of company*	Remarks
CGO Complex Lodhi Road	Leasehold	0.10	DOT	Yes			L&DO
Kidwai Bhawan (Janpath)	Leasehold	-	DOT	Yes			L&DO
Minto Road JLN Marg	Leasehold	0.12	DOT	Yes			L&DO
Idgah	Leasehold	0.01	DOT	Yes			L&DO
Lothian Road	Leasehold	0.08	DOT	Yes			(PWD) Delhi Admn.
Bhikaiji Cama Place (R. K. Puram)	Leasehold	0.66	DOT	Yes			DDA
Chankya Puri	Leasehold	0.00	DOT	Yes			L&DO
Hauz Khas	Leasehold	0.04	DOT	Yes			DDA
Nehru Place	Leasehold	0.18	DOT	Yes			DDA
Okhla	Leasehold	0.07	DOT	Yes			DDA
Laxmi Nagar/ Shahdara South	Leasehold	0.12	DOT	Yes			DDA
Shahdara/ Adjoining 21 Exch	Leasehold	0.04	DOT	Yes			DUSIB
Keshav Puram	Leasehold	0.02	DOT	Yes			DDA
Badli	Leasehold	0.01	DOT	Yes			Directorate of Indus-tries (Delhi Adminis-tration)

Description of property	Type of Propertie s	Gross Carryin g value	Held in name of	Whether promoter, director or their relative or employee	Period heldindicate range, where appropriate	Reason for not being held in name of company*	Remarks
Rohini Sect 3 Pocket 31	Leasehold	0.15	DOT	Yes			DDA
Rohini Sect 3 Pocket 4	Leasehold	0.15	DOT	Yes			DDA
Rohini Sect. 5 Pocket 4	Leasehold	0.15	DOT	Yes			DDA
Rohini Sect. 5 Pocket 10	Leasehold	0.15	DOT	Yes			DDA
Rohini Sect. 3	Leasehold	0.15	DOT	Yes			DDA
Rohini Sect. 6	Leasehold	0.18	DOT	Yes			DDA
Rohini Sect. 9	Leasehold	0.15	DOT	Yes			DDA
Paschim Vihar G-17 TE	Leasehold	1.33	DOT	Yes			DDA
Hari Nagar/ Mayapuri	Leasehold	3.87	DOT	Yes			DDA
Rajouri Garden	Leasehold	0.03	DOT	Yes			MCD
Janakpuri	Leasehold	0.07	DOT	Yes			DDA
Pankha Road Plot I	Leasehold	0.30	DOT	Yes			DDA
Pankha Road Plot 2	Leasehold	0.10	DOT	Yes			DDA
Pankha Road Plot 3	Leasehold	-	DOT	Yes			DDA
Shadipur	Leasehold	0.19	DOT	Yes			DUSIB

In respect to the following properties no title deeds were made available to us:

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Jor Bagh	Leasehold	-	DOT	Yes			Documents not available
Delhi Gate	Leasehold	-	DOT	Yes			Documents not available
Karol Bagh	Leasehold	-	DOT	Yes			Documents not available
Tis Hazari	Leasehold	-	DOT	Yes			Documents not available
Shakti Nagar	Leasehold	-	DOT	Yes			Documents not available
Delhi Cantt	Leasehold	-	DOT	Yes			Documents not available
Eastern Court	Leasehold	-	DOT	Yes			Documents not available
Shahdara	Leasehold	-	DOT	Yes			Documents not available
Tehkhand	Leasehold	-	DOT	Yes			Documents not available

According to the information and explanations given by the company in Note No. 58A(1) and 58A(3) of the notes to accounts of the standalone financial statement to us and on the basis of our examination of the records of the Company, we express no opinion on the validity of the title of the company of immovable properties disclosed in the financial statements and held as Property, Plant and Equipment or as investment property.

Further, according to the information and explanations given to us, in Delhi one leasehold property has been encroached.

In respect of Mumbai Units: -

The value of the immovable properties as per title deeds are subject to reconciliation with books of accounts.

Description of Property	Type of properties	Gross carrying value (Amount in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Range (In Years)	Reason for not being held in name of company/ Remarks
Plot No. 11. Near Lokhandwala, Complex, Akurli Road, Kandivali (E), Mumbai-400 101	Leasehold Land	0.64	MHADA	No	More than 20 years	MHADA Allotment letter is available on records for allotment of land. No sale/ lease deed is available for verification.
Plot -1, MIDC, Taloja, Navi Mumbai-400 218	Leasehold Land	0.02	President of India	Yes	More than 30 years	Lease Agreement executed by MTNL on behalf of President of India is available on record.
Panvel Tel Exchange, Plot No.-229B, Panvel, Mumbai	Leasehold Land	Nil	President of India (P&T)	Yes	More than 30 years	Permission letter from Panvel Municipal Corporation is available on records. Lease agreement executed between president of india and City and Industrial development corporation of Maharashtra Limited is also available in records.

Description of Property	Type of properties	Gross carrying value (Amount in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Range (In Years)	Reason for not being held in name of company/ Remarks
Juhu Danda Complex, Santa Cruz - West, Mumbai	Freehold Land	Nil	GOI/P&T	Yes	More than 20 years	Letter of DOT is available on records for use of plot in favour of MTNL. No sale deed is available for verification.
Bandra Reclamation, Oppo- site Leelavati Hospital, Bandra(W), Mumbai-400 050	Freehold Building	1.10	Bombay Housing and Area Developme nt Board	No	More than 30 years	MHADA Allotment letter is available on records for al-lotment. No sale deed is available for verification.
Magathane, Borivali(E), HIG Colony, Magathane, Borivali(E), Mumbai-400 066	Freehold Building	0.43	Bombay Housing and Area Developme nt Board	No	More than 30 years	MHADA Allotment letter is available on records for allotment. No sale deed is available for verification
Andheri Tele Exch Bldg OPP. Lalubhai Park by 58	Freehold	0.01	Post and telegraph department	Details not available		
Andheri Old Tele Exch Bldg CSNO 684 BY 58	Freehold	0.00	President of india	Details not available		
Tele Bhavan Colaba	Leasehold	0.07	President of india	Details not available		
Compensatio n on Cumbala Hill	Freehold	0.58	President of india (Bombay telephone)	Details not available		
Curry Road CSNO 79(PT) and 82	Freehold	0.39	President of India	Details not available		

Description of Property	Type of properties	Gross carrying value (Amount in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Range (In Years)	Reason for not being held in name of company/ Remarks
Fountain Tele Bldg CSNO 708	Freehold	0.06	Central Post and telegrah	Details not available		
Gamdevi Tele Exchange bldg. by 7	Freehold	0.05	It is in the name of President of India	Details not available		
Malbar Hill Tele Exch AG Bell Marg	Freehold	0.33	President of India	Details not available		
Mandvi Tele Exch MA Road by BY 7Plot no. to 12	Freehold	0.11	President of India	Details not available		
Matunga Tele Exch Bldg Plot no. 143 Ambedkar Marg by14	Leasehold	0.01	it is in the name of President of INDIA it is under mutation	Details not available		
Mazgaon Tele Bldg Seth Moti Shah Lane by 10	Freehold	0.05	President of India	Details not available		
Parel tele Complex CSNO 85(PT)	Freehold	0.51	President of India	Details not available		
Powai Tele Exch Bldg S.no 103/B1 Vikroli by 83	Freehold	0.00	Governmen t of India	Details not available		
PBD Tele Bldg CSNO 90,91 and 105 BY 28	Freehold	0.13	POI Incharge Bombay telephone exchange under mutation	Details not available		
SPK Tele Exchange Bldg Plot No. 709 TPS IV/B by 28	Freehold	0.02	President of India	Details not available		

Description of Property	Type of properties	Gross carrying value (Amount in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Range (In Years)	Reason for not being held in name of company/ Remarks
Sion Tele Exch Bldg Plot No. 105A and 105 by 22	Freehold	0.16	President of India	Details not available		
ST. George Hospital, PLNO.2	Leasehold	0.40	President of India	Details not available		
Ville Parle Tele Exch Bld Fp No. 330,308,309,3 10 by 57 All Land Cost for land at Vile Parle for Staff Quarters 76	Freehold	0.14	Bombay telephone post & telegraph limited	Details not available		
Wadala Tele Exch. Plot No 40(PT) CS No 236 & 41(PT) By 14	Freehold	0.14	President of India	Details not available		
Wadby Road HS Marg Bombay 1 Possession 30	Freehold	0.01	Central post and telegraph	Details not available		
Worli Tele Exch Bldg CSNO 469, S.No 1624 by 18	Freehold	0.06	President of India (in- charge post master general)	Details not available		
Byculla	Leasehold	-	President of India	Details not available		
Cooperage	Leasehold	-	President of India	Details not available		
South Colaba	Leasehold	-	President of India	Details not available		

Description of Property	Type of properties	Gross carrying value (Amount in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Range (In Years)	Reason for not being held in name of company/ Remarks
Naigaon	Freehold	-	Bombay Telephone	Details not available		
Colaba	Leasehold	-	President of India, Bombay telephone	Details not available		
Prabhadevi	Freehold	-	Bombay Telephone	Details not available		
Vashi Sec 15A	Leasehold	-	Bombay Telephone	Details not available		
	Leasehold	0.20	Details not available	Details not available		

In respect to the following properties no title deeds were made available to us:

Description of Property	Type of Property	Gross Carrying Value (Amount in Crores)	Remarks
Tilak Nagar, Tribhuvan CHS, Sahakar Nagar, Chembur, Mumbai	Leasehold	0.20	No title deeds available
CBD Belapur, Inspection Qtrs	Freehold	-	No title deeds available
Vashi, Sector-15/16	Leasehold	-	No title deeds available

Furthermore, in respect of 9 cases of freehold and leasehold land have been encroached by the various persons in respect of which matter is either pending in court or perusing with the various authorities for clearing the encroachment. (Refer Note 58 A (3))

Details of Property	Type of Property	Whether title deed is lost/disputed?	Gross Value (Amount in Crores)
Purchase Cost Land from MHADA	Leasehold	Court case No. FA No.156/2005	0.64
Land of Bengal Chemical	Freehold	Court Case No. (LAR/37/1980)	0.62
Acquisition of land at village Eskar 1	Freehold	No	0.46
Ghatkopar Tele Exch. S. No 45/2(PT) BY 86	Freehold	No	0.01

Details of Property	Type of Property	Whether title deed is lost/disputed?	Gross Value (Amount in Crores)
Kalbadevi Tele Exch Csno 1572(PT), 1,2,3 (PT), 4/1572 TO 1576	Freehold	No	0.95
Aquisition of land comprised in C.S.no.2/116 of Lower Parel: Manjrekar Plot	Freehold	No	0.21
St. George Hospital, Pl no. 2	Leasehold	No	0.40
Aquisition of Land at Malad (W) Vasari Hill Plot	Freehold	No	0.04
Vile Parle Tele Exch Bldg No. 330,308,309,310 by 57 & All. Land Cost for Land at Vile Parle for Staff Quarters 76	Freehold	Court Case No. S.C. 5166/2005)	0.14

According to the information and explanations given by the company in Note No. 58 A(1) of the notes to accounts of the standalone financial statements to us and on the basis of our examination of the records of the Company, we do not express opinion on the validity of the title of the company of said immovable properties disclosed in the financial statements and held as Property, Plant and Equipment or as investment property.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) **(a)** In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals.

In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management needs to be strengthened. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks which is not on the basis of security of current assets. Thus, clause 3(ii) of the Order is not applicable to the company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or

unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Thus, clause 3(iii) (a) to (f) of the Order is not applicable to the company:

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Thus, clause 3(iv) of the Order is not applicable to the company.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 or rules framed there under. Accordingly, clause 3(v) of the Order is not applicable to the company.

(vi) As per the information and explanation given to us, Company is required to maintain the cost records under Section 148(1) of the Companies Act 2013. As explained the Company has not yet maintained the required cost records for the year ended March 31, 2025.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, wherever applicable, have generally been regularly deposited with the appropriate authorities except the following:

(i) **Goods & Service Tax**

Statute	Nature of dues	Amount (In crores)	Period to which the dues relate	Due Date	Date of payment	Remarks, if any
Central Goods & Service Act, 2017	Goods & Service Tax	1.76	2024-25	For the specified period	-	Bsnl, Afnet, MCS
Central Goods & Service Act, 2017	Goods & Service Tax	15.14	2017 to 2023	For the specified period	-	BSNL
Central Goods & Service Act, 2017	Goods & Service Tax	0.54	2023-24	For the specified period	-	AFNET
Central Goods & Service Act, 2017	Goods & Service Tax	2.85	2023-24	For the specified period	-	BSNL
Central Goods & Service Act, 2017	Goods & Service Tax	2.12	2023-24	For the specified period	-	MCS

(ii) **License Fee & Spectrum Charges**

Statute	Nature of dues	Amount (In Crores)	Period to which the dues relate	Due Date	Date of payment	Remarks, if any
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	License Fee	143.98	2019-20	For FY 2019-20	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	License Fee	106.99	2020-21	For FY 2020-21	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	License Fee	95.88	2021-22	For FY 2021-22	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	License Fee	72.54	2022-23	For FY 2022-23	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	License Fee	57.85	2023-24	For FY 2023-24	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	License Fee	53.46	2024-25	For FY 2024-25	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	Spectrum Charges	14.77	2019-20	For FY 2019-20	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	Spectrum Charges	10.97	2020-21	For FY 2020-21	-	

Statute	Nature of dues	Amount (In Crores)	Period to which the dues relate	Due Date	Date of payment	Remarks, if any
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	Spectrum Charges	5.82	2021-22	For FY 2021-22	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	Spectrum Charges	4.92	2022-23	For FY 2022-23	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	Spectrum Charges	2.09	2023-24	For FY 2023-24	-	
Indian Telegraph Act, 1985 & Telecom Regulatory Authority of India	Spectrum Charges	2.61	2024-25	For FY 2024-25	-	

b) According to the information and explanations given to us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except for the following dues:

In respect of Delhi Units:

i. **Service Tax:**

Name of the Statute	Total Liabilities (Rs. in Cr.)	Deposit Amount (Rs. in Cr.)	O/S Liabilities (Rs. in Cr.)	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	66.71	5.00	61.71	2014-15 to June-17	Commissioner of Central Excise and Service Tax
Finance Act, 1994	4.22	0.32	3.90	2005-06	
Finance Act, 1994	0.08	0.04	0.04	2000-03	
Total	**71.01**	**5.36**	**65.65**		

ii. GST:

Name of the Statute	Total Liabilities (Rs. in Cr.)	Deposit Amount (Rs. in Cr.)	O/S Liabilities (Rs. in Cr.)	Period to which amount relates	Forum where the dispute is pending
Goods & Services Tax Act, 2017	30.30	1.52	20.78	2017-18	Special Commissioner of GST
	16.15	0.86	15.29	2018-19	
	152.92	6.95	145.96	2018-19	
	88.52	4.58	83.94	2019-20	
	0.63	-	0.63	2020-21	
Total	**288.51**	**13.91**	**274.60**		

iii. Labour Cess:

Name of the Statute	Total Liabilities (Rs. in Cr.)	Deposit Amount (Rs. in Cr.)	O/S Liabilities (Rs. in Cr.)	Period to which amount relates	Forum where the dispute is pending
Building and other Construction Workers Welfare Cess Act, 1996.	9.14	0.09	9.05	1996 to 2001	Deputy Labour Commissioner

In respect of Mumbai Basic Units-

i. Sales Tax:

Name of the Statute	Amount (Rs. in Cr.) (Net)	Period to which amount relates	Forum where the dispute is pending
Bombay Sales Tax Act, 1959	5.32	1996-97	Hon'ble High Court of Bombay
Bombay Sales Tax Act, 1959	216.11	2003-04	Maharashtra Sales Tax Tribunal, Mumbai
Bombay Sales Tax Act, 1959	101.57	2004-05	Maharashtra Sales Tax Tribunal, Mumbai
Bombay Sales Tax Act, 1959	14.97	2009-10	Maharashtra Sales Tax Tribunal, Mumbai
Bombay Sales Tax Act, 1959	6.11	2011-12	Maharashtra Sales Tax Tribunal, Mumbai
Bombay Sales Tax Act, 1959	26.47	2012-13	Hon'ble High Court of Bombay
Bombay Sales Tax Act, 1959	2.40	2014-15	Deputy Commissioner of Sales tax
TOTAL	**372.94**		

ii. **Service Tax:**

Name of the Statute	Amount (Rs. in Cr.) (Net)	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	2.91	2012-13 to 2016-17	Custom Excise and Service Tax Appellate Tribunal
Total	**2.91**		

In respect of Corporate Office:

v. Income Tax:

Name of the Statute	Amount (Rs. in Cr.) (Net)	Period to which amount relates	Forum where the dispute is pending	Remarks
Income Tax Act, 1961	Nil	A.Y 1998-99 to A.Y 2006-07	Hon'ble High Court of Delhi	Total disputed demand of Rs. 659.65 Crore either paid by the Company or deducted by the Income Tax Department from refund due to the Company
Income Tax Act, 1961	Nil	A.Y 2007-08 to A.Y 2009-10	Hon'ble Income Tax Appellant Tribunal and Commissioner of Income Tax (Appeal)	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income- tax Act, 1961 as income during the year.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the following lenders during the year:

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (Rs. in Cr.)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan and Overdraft	Union Bank of India	842.49	Principal and Interest	276	
Term Loan and Overdraft	Bank of India	289.89	Principal and Interest	276	
Term Loan and Overdraft	Punjab National Bank	216.46	Principal and Interest	276	
Term Loan	State Bank of India	350.05	Principal and Interest	276	
Term Loan	UCO Bank	266.39	Principal and Interest	276	
Overdraft	Indian Overseas Bank	74.49	Interest	90	
Term Loan	Punjab and Sindh Bank	144.53	Principal and Interest	276	

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans have been generally applied for the purposes for which they were raised.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have not been utilized for long- term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable to the company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable to the company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the company.

(xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company, noticed or reported during the year, nor have been informed of such case by the Management.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT- 4 as prescribed under Rule 13 of Companies (Audit & Auditors) Rules, 2014 was not required to be filed by us with the Central Government, during the year and up to the date of this Report. Further, as informed by the Company, the Cost Auditor as well as the Secretarial Auditor of the Company have not filed any report under Section 143(12) of the Act with the Central Government in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 during the year and up to the

date of this Report. Accordingly, reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the company.

(xiii) In our opinion and as per the information and explanation given to us, the Company has complied with the Provision of Section 177 of the Act and has not entered into any transaction requiring compliance with Section 188 of the Act.

(xiv) (a) In our opinion, the Internal Audit System of the Company is not commensurate with the size of the Company and the nature of its business. Moreover, extent of coverage of the areas of operations, frequency/ quality of reporting/ timeliness of the reporting and the follow up of internal audit observations need to be strengthened.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit. However, the Internal Audit Reports of some of the units/zones of the Company were provided at short notice or only partly provided, hence not considered.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses of Rs. 3341.36 Crore and Rs. 3317.42 Crore in the current and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable. However, the Comptroller and Auditor General of India (CAG) has changed the joint statutory auditors during the year.

(xix) The Company has accumulated losses and its net worth has been fully/ substantially eroded, the Company has incurred net loss/net cash loss during the current year and the company's current liabilities exceeded its current assets as at the balance sheet date. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the

Board of Directors and management plans and based on our examination of the evidence supporting the assumption in our opinion, these events or conditions, along with other matter, indicate that a material uncertainty exists as on the date of the audit report and the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. (Also refer Qualified opinion paragraph (i) of our Independent Auditor's Report and note no. 78 to the standalone financial statements.).

(xx) In our opinion and according to the information and explanations given to us, there is no amount required to be spent by the company in accordance with section 135 of the companies act 2013. Accordingly, clause 3 (xx) of the Order is not applicable to the Company.

(xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No.: 00018N/N500091

CA Nitin Jain
Partner
Membership No.: 510841
UDIN: 25510841BMNYFH6092

Place: Delhi
Date: 28-05-2025

For S.L. Chhajed & Co. LLP
Chartered Accountants
Firm Registration No.: 000709C/C400277

CA Vijit Baidmutha
Partner
Membership No.: 406044
UDIN: 25406044BMICPI7072

Place: Delhi
Date: 28-05-2025

ANNEXURE-B

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our Independent Auditors' Report of even date to the members of Mahanagar Telephone Nigam Limited on the Standalone Financial Statements for the year ended 31st March 2025.

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **Mahanagar Telephone Nigam Limited** (Standalone) for the financial year 2024 - 25 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

Based on the information and explanations given to us we report as under:

Sr.No.	Areas Examined	Observation / Finding
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, majority of the accounting transactions are done through the IT system. Although manual intervention is prevalent. Adequate security measures for manual intervention need to be strengthened with supervisory sanction only and properly documented. However, the billing of following services is not integrated with WFMS (accounting software): - 1) Lease Circuit 2) Toll Free 3) IUC 4) Post Paid 5) GSM IUC
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to a company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	As certified by the management and those charged with governance, we have been informed that there is no restructuring of loan/ wavier/ write off of debts/ loan/ interest made by lender to a company due to the company's inability to repay the loan during the financial year 2024-25.

Sr.No.	Areas Examined	Observation / Finding
3	Whether funds (grants/subsidy etc.) received/ receivable from the specific schemes from central/ state government or its agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	The company has received the Swachh Action Plan contribution during FY 2017-18 is Rs. 0.21 Crore, FY 2018-19 is Rs. 0.35 Crore, FY 2019-20 is Rs 0.35 Crore out of which Rs. 0.03 Crore is pending utilization with the Company. Further, the company has not received any contribution under Swachh Action Plan during FY 2020-21, 2021-2022, 2022-23, 2023-24 & 2024-25.
4	Whether the amount of revenue of share (License fees and Spectrum Usage charges) recognized in the financial statement in accordance with the License conditions agreed by the company with DoT? If so, detailed statement & calculation sheet may be attached.	Yes, AGR Audit Report and Calculation sheet attached herewith.

We have conducted the audit of accounts of Mahanagar Telephone Nigam Limited for the year ended 2024-25 in accordance with the directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with the all directions issued to us.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No.: 00018N/N500091

CA Nitin Jain
Partner
Membership No.: 510841
UDIN: 25510841BMNYFH6092

Place: Delhi
Date: 28-05-2025

For S.L. Chhajed & Co. LLP
Chartered Accountants
Firm Registration No.: 000709C/C400277

CA Vijit Baidmutha
Partner
Membership No.: 406044
UDIN: 25406044BMICPI7072

Place: Delhi
Date: 28-05-2025

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone financial statements of **Mahanagar Telephone Nigam Limited** ("the Company") as of 31st March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with

reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to these standalone financial statements.

Meaning of Internal Financial Controls with reference to these standalone financial statements.

A company's internal financial control with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial statements includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to the standalone financial statements

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to the standalone financial statements as at March 31, 2025:

(i) The Company's billing software has not been operating properly in the Delhi Unit Mumbai Unit. Additionally, the Company has not implemented sufficient alternative or manual procedures to ensure billing accuracy or safeguard against errors and fraud during this period, indicating a lack of effective internal controls over the billing process.

(ii) The Company does not have appropriate internal control system for ensuring capitalization of Property, Plant and Equipment as and when the same is ready for use due to delayed issue of completion certificate by engineering department or due to delay in receipt of bills from the vendors for bought out items or due to delay of inventory issue slip by stores. Hence, the date of capitalization is not reliable. This could potentially result into delayed capitalization and corresponding impact on the operational results due to lower charge of depreciation.

(iii) The Company does not have an appropriate internal control system for ensuring de-commissioning and de-capitalization of Property, Plant and Equipment in respect of assets which are no longer in use and held for disposal as scrap. This could potentially result into overstatement of gross block and corresponding impact on the operational results due to higher charge of depreciation and lower provision for impairment of assets.

(iv) The Company does not have an appropriate internal control system to ensure that provisions made pending receipt of bills from vendors / contractors / operators / government departments at the quarter end and year end are duly reversed when actual bills are received and accounted for. This could potentially result in the same being accounted twice.

(v) The Company does not have an appropriate internal control system to track open purchase orders, work orders, agreements and contracts which have been entered with vendors / contractors / operators / government departments and are lying open. This could have a bearing on efficiency of operations and recording of financial liabilities and provisions pertaining to the same.

(vi) The Company does not have an integrated ERP system. Different software packages used by the company are interfaced through software links or manual intervention leaving gaps between them. This could potentially result into impaired financial reporting. In Mumbai Unit the Company does not have an appropriate internal control system for reconciliation of Debtors between Billing software and Accounts, which could potentially result in some changes in the standalone financial statements.

(vii) The Company does not have an appropriate internal control system for reconciliation of vendors/ contractors / operators / government departments, accounts which could potentially result in some changes in the standalone financial statements. The cases identified by us have been appropriately qualified at various places in our report.

(viii) The Company does not have effective internal audit system so as to cover all major areas with extensive scope. The extent and depth of coverage, manner of conduct and reporting in respect of internal audit is very weak. This could potentially result into weak checks and

balances and unreported financial irregularities ultimately resulting into distorted financial reporting.

(ix) The Company does not have an appropriate internal control system for reconciliation of items of unlinked debits and credits because of receipts from the subscriber and the amount debited by the banks. This could potentially lead unreported financial adjustments ultimately resulting into distorted financial reporting.

(x) The Company does not have an appropriate internal control system for invoicing which are due and payable based on manual invoicing. The invoicing systems does not have reliability of measurement and reconciliation of items. This leads to multiple revisions and errors in invoicing. This could potentially lead errors in revenue recognition.

(xi) The Company does not have appropriate internal control system for ensuring end use of issued inventory. The accounting is done based on the requisition statement of item and not actual installation or commission of item. This could potentially result into non-identification of pilferage and also early capitalization of equipment.

(xii) The Company does not have an appropriate internal control system for ensuring billing and recovery of water and electricity charges from the lessee. This could potentially result in non- recovery and delayed recovery of such charges causing financial loss of the absolute expenses and finance cost on the delay in realization. This could also result in inaccurate expense values in the financial statements of the company.

(xiii) The company does not have appropriate internal control system towards renewals of the expired Rent/Lease agreements. Even though in some of the cases where lease agreements have been expired, company is receiving rentals on the terms and conditions mentioned in the expired agreement with the parties.

(xiv) The company does not have appropriate internal control towards the timely closure of workorders w.r.t landline & FTTH connections and creation of customer master for billing. This could potentially result in leakage and potential loss of revenue.

(xv) The Company does not have appropriate internal control system for reconciliation of TDS refundable with form 26 AS and TDS certificate where applicable, which could potentially result in changes in standalone financial statement.

(xvi) In some cases, company is recognising rentals on the terms and conditions mentioned in the expired agreements with the parties and not receiving any amount from such parties for more than one year. However, the company has not provided provision for doubtful debts for all such cases.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to the standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as of March 31, 2025 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2025, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No.: 00018N/N500091

CA Nitin Jain
Partner
Membership No.: 510841
UDIN: 25510841BMNYFH6092

Place: Delhi
Date: 28-05-2025

For S.L. Chhajed & Co. LLP
Chartered Accountants
Firm Registration No.: 000709C/C400277

CA Vijit Baidmutha
Partner
Membership No.: 406044
UDIN: 25406044BMICPI7072

Place: Delhi
Date: 28-05-2025

MAHANAGAR TELEPHONE NIGAM LIMITED

Balance Sheet as at 31 March 2025

	Notes	'31 March 2025 (Rs. in crores)	'31 March 2024 (Rs. in crores)
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,293.49	2,463.37
Capital work-in-progress	5	31.97	85.80
Right-of-use assets	6	281.48	314.12
Investment property	7	60.42	62.04
Intangible assets	8	1,101.08	1,429.46
Financial assets			
Investments	9	106.13	106.13
Loans	10	2.11	2.32
Other financial assets	11	500.83	267.91
Non Current Tax assets (Net)	12	500.98	599.88
Other non-current assets	13	24.98	33.74
Total non-current assets		**4,903.47**	**5,364.77**
Current assets			
Inventories	14	4.95	5.13
Financial assets			
Trade receivables	15	544.77	496.45
Cash and cash equivalents	16	163.57	60.85
Other bank balances	17	0.00	-
Loans	18	1.58	2.04
Other financial assets	19	4,307.14	4,498.46
Other current assets	20	248.46	245.46
Total current assets		**5,270.47**	**5,308.38**
Assets held for sale	21	10.36	4.06
Total assets		**10,184.31**	**10,677.20**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	22	630.00	630.00
Other equity	23	(27,565.64)	(24,292.80)
Total equity		**(26,935.64)**	**(23,662.80)**
Non-current liabilities			
Financial liabilities			
Borrowings	24	23,481.93	24,005.77
Lease liabilities	25	54.41	67.14
Other financial liabilities	26	166.83	172.76
Provisions	27	401.66	385.20
Other non-current liabilities	28	41.24	52.98
Total non-current liabilities		**24,146.07**	**24,683.85**
Current liabilities			
Financial liabilities			
Borrowings	29	8,886.41	6,022.05
Lease liabilities	30	18.43	45.86
Trade payables	31		
(a) Total outstanding dues of Micro & Small Enterprises		111.59	72.36
(b) Total outstanding dues of creditors other than Micro & Small Enterprises		880.79	997.64
Other financial liabilities	32	2,133.96	1,936.16
Other current liabilities	33	865.07	499.41
Provisions	34	77.62	82.68
Total current liabilities		**12,973.87**	**9,656.15**
Total liabilities		**37,119.94**	**34,340.00**
Total equity and liabilities		**10,184.31**	**10,677.20**
* Rs. 21,216/-			
Summary of material accounting policies	3		

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For and on behalf of the Board of Directors

		Sd/-	Sd/-
For O P Bagla & Co LLP	**For S.L.Chhajed & Co. LLP**	**(A. Robert J. Ravi)**	**(Rajiv Kumar)**
Chartered Accountants	Chartered Accountants	Chairman and Managing Director	Director (Finance)
FRN No. 00018N/N500091	FRN No. 000709C/C400277	DIN 10095013	DIN 09811051
Sd/-	Sd/-	Sd/-	Sd/-
(CA Nitin Jain)	**(CA Vijit Baidmutha)**	**(Anirudh Prasad Singh)**	**(Ratan Mani Sumit)**
Partner	Partner	Chief Financial Officer	Company Secretary
Membership No. 510841	Membership No. 406044		Membership No. 15193

Place: New Delhi
Date: 28 May 2025

MAHANAGAR TELEPHONE NIGAM LIMITED
Statement of Profit and Loss for the year ended 31 March 2025

	Notes	'31 March 2025 (Rs. in crores)	'31 March 2024 (Rs. in crores)
Income			
Revenue from operations	35	628.95	728.47
Other income	36	678.07	573.01
Total income		**1,307.02**	**1,301.48**
Expenses			
Purchases of stock-in-trade		0.00	0.04
License fees expense	37	56.20	60.04
Employee benefits expense	38	570.29	570.06
Finance costs	39	2,918.03	2,689.78
Revenue sharing expense		47.87	61.33
Depreciation and amortisation expense	40	600.32	655.77
Other expenses	41	437.81	566.64
Total expenses		**4,630.53**	**4,603.67**
Profit/(loss) before tax		**(3,323.51)**	**(3,302.19)**
Tax expense	42	-	-
Net profit/(loss) for the year		**(3,323.51)**	**(3,302.19)**
Other comprehensive income	43		
Items that will not be reclassified to profit and loss			
Re-measurements of defined benefit plans		(17.85)	(15.22)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income/(loss) for the year		**(17.85)**	**(15.22)**
Total comprehensive income/(loss) for the year		**(3,341.36)**	**(3,317.42)**
Loss per equity share:	44		
Basic (Rs.)		(52.75)	(52.42)
Diluted (Rs.)		(52.75)	(52.42)
Summary of material accounting policies	3		

The accompanying notes are integral part of the financial statements.

* Rs. 24,788/-

This is the statement of profit and loss referred to in our report of even date.

For and on behalf of the Board of Directors

		Sd/-	Sd/-
For O P Bagla & Co LLP	**For S.L.Chhajed & Co. LLP**	**(A. Robert J. Ravi)**	**(Rajiv Kumar)**
Chartered Accountants	Chartered Accountants	Chairman and Managing Director	Director (Finance)
FRN No. 00018N/N500091	FRN No. 000709C/C400277	DIN 10095013	DIN 09811051
Sd/-	Sd/-	Sd/-	Sd/-
(CA Nitin Jain)	**(CA Vijit Baidmutha)**	**(Anirudh Prasad Singh)**	**(Ratan Mani Sumit)**
Partner	Partner	Chief Financial Officer	Company Secretary
Membership No. 510841	Membership No. 406044		Membership No. 15193

Place: New Delhi
Date: 28 May 2025

MAHANAGAR TELEPHONE NIGAM LIMITED

Statement of Cash Flows for the year ended 31 March 2025

	Notes	'31 March 2025 (Rs. in crores)	'31 March 2024 (Rs. in crores)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(loss) before tax	**(3,323.51)**	**(3,302.19)**
	Adjustments for:		
	Depreciation expense	271.87	320.47
	Amortisation expense	328.45	335.30
	(Gain)/ Loss on disposal of property, plant and equipment (net)	(6.19)	(0.31)
	Dividend income	(1.86)	(1.51)
	Interest income	(21.96)	(18.72)
	Excess provisions written back	(128.49)	(66.43)
	Provision for doubtful debts including discount	8.26	63.39
	Provision for diminishing in value of Investment	-	35.85
	Provision for obsolete inventory	0.26	3.81
	Provision for doubtful claims	23.84	11.68
	Provision for insurance claims	1.50	0.95
	Provision For Abandoned Work- CWIP	-	0.01
	Finance costs	2,918.03	2,689.78
	Bad debts recovered	(0.02)	(0.01)
	Bad debts written off	10.66	11.72
	Operating loss before working capital changes	**80.86**	**83.79**
	Movement in working capital		
	(Increase)/ Decrease in loans	0.99	3.20
	(Increase)/ Decrease in inventories	(0.08)	(4.69)
	(Increase)/ Decrease in other financial assets	(163.13)	10.66
	(Increase)/Decrease in other assets	5.75	10.66
	(Increase)/Decrease in trade and other receivables	(67.23)	4.40
	Increase/ (Decrease) in other financial liabilities	(32.06)	(14.19)
	Increase/ (Decrease) in other liabilities	353.92	(45.17)
	Increase/ (Decrease) in provisions, trade and other payables	44.26	109.41
	Cash used in operating activities post working capital changes	**223.28**	**158.07**
B	**Income tax (paid)/refunds (net)**	98.91	(25.43)
	Net cash used in operating activities (A)	**322.18**	**132.64**
	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)	(15.87)	(69.23)
	Movement in fixed deposits (net)	(0.00)	154.48
C	**Dividend received**	1.86	1.51
	Interest received	9.64	13.35
	Net cash used in investing activities (B)	(4.38)	100.11
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds and repayment of long-term borrowings (net)	(258.32)	2,664.68
	Proceeds and repayment of short-term borrowings (net)	2,507.39	(441.46)
	Finance cost paid	(2,415.38)	(2,476.70)
	Payment towards lease liability (including interest)	(48.76)	(64.95)
	Net cash flows from financing activities (C)	**(215.08)**	**(318.43)**
	Decrease in cash and cash equivalents (A+B+C)	102.73	(85.68)
	Cash and cash equivalents at the beginning of the year	60.85	146.52
	Cash and cash equivalents at the end of the year (as per Note 16)	**163.57**	**60.85**

Notes:

1. Statement of Cash Flows has been prepared under Indirect method as set out in Ind AS 7 'Statement of Cash Flows'
2. Previous year figures have been regrouped/reclassified whereever applicable
3. Refer Note 24 for the Reconciliation of financial liabilities arising from financing activities

For and on behalf of the Board of Directors

		Sd/-	Sd/-
For O P Bagla & Co LLP	**For S.L.Chhajed & Co. LLP**	**(A. Robert J. Ravi)**	**(Rajiv Kumar)**
Chartered Accountants	Chartered Accountants	Chairman and Managing Director	Director (Finance)
FRN No. 00018N/N500091	FRN No. 000709C/C400277	DIN 10095013	DIN 09811051
Sd/-	Sd/-	Sd/-	Sd/-
(CA Nitin Jain)	**(CA Vijit Baidmutha)**	**(Anirudh Prasad Singh)**	**(Ratan Mani Sumit)**
Partner	Partner	Chief Financial Officer	Company Secretary
Membership No. 510841	Membership No. 406044		Membership No. 15193

Place: New Delhi
Date: 28 May 2025

MAHANAGAR TELEPHONE NIGAM LIMITED
Statement of changes in equity for the year ended 31 March 2025

A. Equity share capital **(Rs. in crores)**

Particulars	Balance as at 01 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024	Changes in equity share capital during the year	Balance as at 31 March 2025
Equity share capital	630.00	-	-	-	630.00

B. Other equity **(Rs. in crores)**

	Securities Premium	Promoter's Contribution*	Contingency reserve	Retained Earnings	Total
Balance as at 01 April 2023	**665.00**	**728.78**	**243.23**	**(23,109.90)**	**(21,472.90)**
Profit/(loss) for the year	-		-	(3,302.19)	(3,302.19)
Addition during the year		497.51		-	497.51
Remeasurement of defined benefit obligation	-		-	(15.22)	(15.22)
Transfer in/ (out)					
Balance as at 31 March 2024	**665.00**	**1,226.29**	**243.23**	**(26,427.32)**	**(24,292.80)**
Profit/(loss) for the year	-		-	(3,323.51)	(3,323.51)
Addition during the year		68.52		-	68.52
Remeasurement of defined benefit obligation	-		-	(17.85)	(17.85)
Transfer in/ (out)				-	-
Balance as at 31 March 2025	**665.00**	**1,294.81**	**243.23**	**(29,768.67)**	**(27,565.64)**

For and on behalf of the Board of Directors

Sd/-
(A. Robert J. Ravi)
Chairman and Managing Director
DIN 10095013

Sd/-
(Rajiv Kumar)
Director (Finance)
DIN 09811051

For O P Bagla & Co LLP
Chartered Accountants
FRN No. 00018N/N500091

Sd/-
(CA Nitin Jain)
Partner
Membership No. 510841

For S.L.Chhajed & Co. LLP
Chartered Accountants
FRN No. 000709C/C400277

Sd/-
(CA Vijit Baidmutha)
Partner
Membership No. 406044

Sd/-
(Anirudh Prasad Singh)
Chief Financial Officer

Sd/-
(Ratan Mani Sumit)
Company Secretary
Membership No. 15193

Place: New Delhi
Date: 28 May 2025

1. Corporate information

Mahanagar Telephone Nigam Limited ('MTNL' or 'Company'), a public sector enterprise, is engaged in providing telecom services in the geographical area of Mumbai and Delhi. The registered office of the company is located at Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi – 110003. The company's shares are listed with Bombay Stock Exchange and National Stock Exchange.

2. Basis of preparation

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2025 in accordance with Ind AS 110 and the Board of Directors approved the same for issue on 28 May 2025.

b) Basis of Measurement

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared under the historical cost convention except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Assets held for sale – measured at fair value less costs of disposal

c) Critical Accounting Estimates and Judgements:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the company make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of financial statements and the reported amounts of income and expenses for the periods presented. Estimates and underlying assumptions are reviewed on an on-

going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The company uses the following critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements:

- **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Assessment lease term –**Lease term includes non-cancellable periods of lease along with extension options reasonably certain to be exercised and termination options reasonably certain not to be exercised. The assessment of whether extension options and termination options are reasonably certain to be exercised or not to be exercised, involve significant management judgement based upon economic incentives to extend or terminate the lease.
- **Activation and installation fees -** The Company receives activation and installation fees from new customers. These fees together with directly attributable costs are amortised over the estimated duration of customer relationship period. The customer relationship period is reviewed periodically. The estimated relationship period principally reflects management's view of the average economic relationship period of the customer base and is assessed by reference to key performance indicators (KPIs) which are linked to establishment/ ascertainment of customer relationship period. A change in such KPIs may lead to a change in the estimated useful life and an increase/ decrease in the amortisation income/charge. The Company believes that the change in such KPIs will not have any material effect on the financial statements.
- **Recoverability of advances/receivables –** At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current –** The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities. An asset is classified as current when it expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle or expected to be realized within 12 months after the reporting date. A

liability is expected to be settled in the Company's normal operating cycle or is due to be settled within 12 months after the reporting date. All other assets and liabilities are classified as non-current. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

- **Segment reporting –** The service offered as 'Basic & Other Services' and 'Cellular' has been identified as two reportable segments for segment reporting.
- **Impairment of assets** - In assessing impairment, management estimates the recoverable amounts of each asset or cash-generating unit (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Useful lives of depreciable/amortisable assets (tangible and intangible)** - Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.
- **Inventories** – Management estimates the cost of inventories including cost of materials and overheads considered attributable to the production of such inventories, taking into account the most reliable evidence available including actual cost of production, etc. Management also estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.
- **Defined benefit obligation (DBO)** - Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses
- **Fair value measurements** - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3. Material accounting policies information:

a) Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. Revenue is recognized on accrual basis, including income from subscribers whose disputes are pending resolution, and closure of the subscribers' line.

a) In the case of contracts involving single performance obligation, accounting for revenue is done on accrual basis and revenue is recognized over the period in which services are rendered.

b) In case of contracts involving multiples promises, which involve delivery or performance of multiple products, services or right to use assets, evaluation is done for all deliverables in an arrangement to determine whether they represent separate performance obligations at the inception of arrangement. Total consideration related to the bundled contract is allocated among the different performance obligations based on their standalone selling prices. In case the relative value of different performance obligations cannot be determined on a reasonable basis, the total consideration is allocated to the different performance obligations based on residual value.

c) For sale of prepaid products, processing fee on recharge coupons is recognized over the customer relationship period or coupon validity period, whichever is lower.

d) Activation &installation revenue and related costs (including subscriber acquisition cost), not exceeding the respective revenue, are to be deferred and amortized over the estimated customer relationship period. The excess of costs over revenue, if any, are to be expensed as incurred.

e) Income from sale of prepaid calling cards, virtual calling cards (VCC) and prepaid internet connection cards is recognised basis the usage or expiry of cards, whichever is earlier.

f) Interest income/expenditure is to be recognized based on effective interest rate [EIR] i.e. the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs fees paid or received, premiums or discounts if any etc. The difference between the actual interest rate and effective interest rate will be routed through statement of profit or loss.

g) Income from services includes income from leasing of infrastructure to other service providers. Cost of related stores and materials consumed in execution is charged to

project or revenue job at the time of issue. However, spill over items at the end of the year lying at various stores are valued at weighted average cost.

h) Sale proceeds of scrap arising from maintenance & project works are taken into miscellaneous income in the year of sale.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billing in excess of revenues or advances received form the customer.

b) Post-employment benefits

a) Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. Company's defined contribution plans include provident fund, pension contribution and leave salary.

(i) In respect of absorbed combined service pension optees in MTNL, provision for pension contribution is payable to the Govt. of India as per FR-116 as in Bharat Sanchar Nigam Limited ('BSNL') with equivalent BSNL pay scales and it is expensed off in the relevant year.

(ii) In respect of officials who are on deemed deputation from Department of Telecommunications (DoT) and other Government department, the provision for pension contribution is payable to the Government of India at the rates specified in Appendix 2(A) to FR 116 and 117 of FR. & SR and it is expensed off in the relevant year. Further, provision for leave encashment is payable @ 11% of pay as specified in appendix 2(B) of F.R.116 and 117 of F.R. & S.R. and it is expensed off in the relevant year.

b) Defined benefit plan

The defined benefit plans sponsored by the Company defines the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company. The Company's defined benefit plans include amounts provided for gratuity.

(i) For Absorbed CPF optees and direct recruits of MTNL, the Company made contribution to provident fund Trust administered by the Company, which was recognised by the income tax authorities. Following the withdrawal of the Company's exemption from the provident fund, all accumulations in the employees' accounts on the employer's

accounts, as well as employee contribution and interest thereon, have been transferred to the Recognised Provident Fund, and with effect from July 2020 the Company has no legal or constructive obligations to pay further contributions after paying the fixed contribution to Recognised Provident Fund.

(ii) For Absorbed CPF optees and direct recruits of MTNL, the liability for gratuity is estimated using actuarial valuation as the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

(iii) For absorbed combined service pension optee employees in MTNL, no provision is made for the pensionary benefits viz pension and gratuity.

c) Other long-term employee benefits

(i) Liability for leave encashment for all employees of MTNL is accounted for on actuarial valuation basis, performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the standalone statement of profit and loss in the year in which such gains or losses arise.

(ii) For post-retirement medical benefits, no provision is made since insurance policy is taken periodically and the premium is expensed off in the relevant year.

d) Short-term benefits comprise of employee costs such as salaries, bonus, ex-gratia, short-term compensated absences are accrued in the year in which the associated services are rendered by employees of the Company.

e) Bonus/Ex-gratia is paid based on the productivity linked parameters and it is to be provided accordingly subject to the profitability of the company.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time, which is generally considered as one year, to get ready for its intended use or sale are capitalised as part of the cost of the asset. Further, projects with estimated cost up to Rs 30 crores generally take a year to complete. All other borrowing costs are expensed in the period in which they occur and reported in finance cost. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest rate.

d) Property, plant and equipment

Recognition and initial measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Assets are capitalized, as per the practices described below, to the extent completion certificates have been issued, wherever applicable.

i. Land is capitalized when possession of land is taken.

ii. Building is capitalized to the extent it is ready for use.

iii. Apparatus & plants principally consisting of telephone exchange equipment and air conditioning plants are capitalised on commissioning of the exchange. Subscriber's installations are capitalized as and when the exchange is commissioned and put to use either in full or in part. Identifiable components in Apparatus &plants having significant cost and/or separate useful life than the main asset i.e. ADSL, VDSL & MES CPES, UPS/Batteries and Subscriber Telephone Instruments are capitalised separately on commissioning and put to use.

iv. Lines &wires are capitalised as and when laid or erected to the extent completion certificates have been issued.

v. Cables are capitalised as and when ready for connection with the main system.

vi. Vehicles and other assets are capitalized as and when purchased.

(a) Property, plant and equipment are being verified by the management at reasonable intervals i.e. once in every three years by rotation. The physical verification of underground cables is done on the basis of working of network and based on records available together with a certificate from the technical officers.

(b) Expenditure on replacement of assets, equipment, instruments and rehabilitation work is capitalized if it is expected to generate future economic benefits for more than one year.

(c) Upon scrapping/decommissioning of assets, these continue to be classified in property, plant and equipment unless they are classified as 'held for sale' and carried at the lower of carrying value or fair value less costs of disposal. Resultant loss, if any, is charged to standalone statement of profit and loss.

(d) Cost of major inspection is recognized in the carrying amount of plant and equipment if it is expected to generate economic benefits and its life is more than one year.

(e) On replacement of significant components of plant and equipment, recognition is made for such replacement of components as individual assets with specific

useful life and depreciated as if these components are initially recognised as separate asset.

(f) In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

(g) The present value of expected cost for decommissioning of the asset on expiry of its useful life is included in the cost of respective asset. A provision for decommissioning is also created with equivalent amount.

(h) Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit or loss as 'other income' or 'other expenses', as the case may be, on the date of disposal.

Subsequent measurement

(a) Depreciation is provided by the Company using straight-line method on the basis of the useful lives prescribed in Schedule II of the Companies Act, 2013 except in respect of Apparatus & Plant (including Towers, Transceivers, switching centres, transmission & other network equipment) and identifiable components in Apparatus & plant having significant cost and/or separate useful life than the main asset, mobile handsets for service connection, low cost aerial optical fibre cable and major structural repairs of the building which are depreciated at the rates based on technical evaluation of useful life of these assets, which are lower than the lives prescribed in Schedule II of the Companies Act 2013. The estimated useful lives and residual value are reviewed at the end of each reporting period.

For **Apparatus &plant** (including Towers, Transceivers, switching centres, transmission & other network equipment), Office equipment & Cable having useful life of 10 years other than following assets/components with shorter useful lives –

Name of assets	Useful life (years)
1. UPS/Battery up to 300AH capacity	4
2. UPS/Battery more than 300AH capacity	7
3. ADSL, VDSL & MES CPES	5
4. Subscribers telephone instruments	5

For **Office Equipment** having useful life of 5 Years other than following assets/components with shorter useful lives –

Name of assets	Useful life (years)
5. Mobile handset for service connection	3

For **Cable** having useful life of 18 years other than following assets/components with shorter useful lives –

Name of assets	Useful life (years)
6. Low cost aerial optical fibre cable	3

For **Office Building & exchange** having useful life of 60 and 30 years respectively other than following assets/ components with shorter useful lives –

Name of assets	Useful life (years)
7. Others (Major structural repair of building)	7

(b) 100 % depreciation is provided on assets immaterial in value up to Rs. 0.05 lakh, in the year of purchase itself, other than those forming part of project, the cost of which is below Rs. 0.10 lakh in case of Apparatus &plants, Training equipment &testing equipment and Rs. 2.00 lakh for partitions, which is not considered to be material.

(c) Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

e) Intangible assets

Intangible assets are stated at their cost of acquisition and/or development less accumulated amortisation. Intangible assets including application software are capitalised when ready for use. All intangible assets with definite useful life are amortized on a straight line basis over the estimated useful lives and a possible impairment is assessed if there is an indication that the intangible asset may be impaired.

(a) Intangible assets represented by one-time upfront payment for 3G spectrum is amortized on straight-line basis over the period of license i.e. 20 years.

(b) Application software is amortised on straight-line basis over the useful life of the assets which is considered as 10 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

f) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land, vehicles, BTS sites, towers and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

g) Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs of disposal. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the standalone statement of profit and loss.

h) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as

the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the property is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties recognised as at 1 April 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

i) Inventories

Inventories being stores and spares are stated at the lower of cost and net realisable value. However, inventories held for capital consumption are stated at cost.

Cost of inventories:

Cost of stores and spares is determined on weighted average basis.

Net realisable value:

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

j) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR') which is the functional currency of the Company, since substantially the entire funding of the Company and its operational income is denominated in Indian Rupee.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the statement of profit or loss.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

k) Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party

to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expires, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in the statement profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within 'other expenses'.

- *Amortised cost*

  A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

  a) financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

  b) contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Company's cash and cash equivalents, trade and certain other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

(i) **For debtors that are not past due** – In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected

credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

(ii) **For debtors considered past due** – any enhancement in the accrual done for expected credit loss on individually significant receivables is made as follows –

- Provision is made for wrong billing, disputed claims from subscribers (excluding operators covered under the agreements related to IUC/Roaming/MOU) and cases involving suspension of revenue realization due to proceedings in Court.
- For landline services – 100% provision is made for debtors outstanding for more than 3 years.
- For closed connections, provision is made in respect of outstanding for more than 3 years along with spill over amount for up to 3 years.
- For wireless services (GSM & CDMA) – 100% provision is made for debtors outstanding for more than 180 days.

(iii) **For other financial assets –** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

- *Financial assets at FVTPL*

  Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. Assets in this category are measured at fair value with gains or losses recognised in the statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

- *Financial assets at FVOCI*

  FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are

designated to this category. FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within FVOCI reserve within equity, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in the statement of profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest rate, except for financial liabilities held for trading or designated as FVTPL, that are carried subsequently at fair value with gains or losses recognised in the statement of profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss and are included within finance costs or finance income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Investment in subsidiaries, joint ventures and associates

Investment in equity instruments of subsidiaries, joint ventures and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'.

m) Income taxes

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961and in the overseas branches/companies as per the respective tax laws.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax asset ('DTA') is recognized for all deductible temporary differences, carry forward of unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary difference, and the

carry forward of unused tax credits and unused tax losses can be utilised or to the extent of taxable temporary differences.

Minimum Alternate Tax (MAT) credit is recognised, as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the standalone statement of profit and loss and classified under 'deferred tax asset'.

n) Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

For intangible assets with indefinite useful life that are tested at least annually. For other assets, the Company assesses at each balance sheet date whether there is any indication that any asset, may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the standalone statement of profit and loss. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factor reflects current market assessment of the time value of money and asset-specific risks factors.

o) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Contingent liabilities are disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be estimated reliably.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

p) Government grants

Government grants are recognised if it is sufficiently certain that the assistance will be granted and the conditions attached to assistance are satisfied. Where the grant relates to specified asset, it is recognised as deferred income, and amortized over the expected useful life of the asset. Other grants are recognised in the statement of profit and loss concurrent to the expenses to which such grants relate/ are intended to cover.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at fair amounts and released to the statement of profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Statement of Cash flow

Statement of cash flow is being prepare in accordance with the requirements of Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows". Cash flows from operating activities is reported using the indirect method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

s) Adjustment pertaining to earlier years

Income from services and other income pertaining to prior years is not disclosed as prior period item for each individual transaction not exceeding ` 1.00 lakh and similarly items of expenditure for each individual transaction not exceeding ` 1.00 lakh are considered as expenditure of current year.

In respect of other items of income (including operating income and other income) and expenditure relating to prior periods, the net effect of which on retained earning does not exceed 1% of turnover is treated as income/expenditure of current year.

t) Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium account, net of any related income tax benefits.

Other components of equity include the following:

- Re-measurement of defined benefit liability – comprises the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets
- Reserve for contingencies
- Promoter's contribution – fair value of waiver of guarantee fee on debentures (NCD)
- General reserve
- Other transactions recorded directly in other comprehensive income.

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements based on its evaluation has determined that it does not have any significant impact in its financial statements.

4. Property, plant and equipmen

(Rs. in crores)

Description	Freehold land	Buildings	Lines & wires	Cables	Apparatus & plant	Furniture & fixtures	Vehicle	Computers	Office machinery & equipment	Electrical appliances	Asset scrapped/ decommissioned	Total
Gross carrying value												
As at 01 April 2023	18.25	2,011.14	179.86	7,941.43	10,330.96	155.37	12.34	302.30	36.95	157.46	56.07	21,202.13
Additions	-	11.40	0.25	13.41	19.25	0.87	-	1.19	0.01	3.55	3.33	53.26
Adjustments^	(0.00)	(3.02)	-	(0.00)	6.58	0.35	(0.02)	0.22	0.24	0.14	(0.42)	4.05
Disposals	-	(2.93)	-	(0.05)	(73.91)	(1.95)	(0.35)	(56.02)	(0.38)	(2.13)	(2.33)	(140.05)
As at 31 March 2024	**18.25**	**2,016.59**	**180.11**	**7,954.79**	**10,282.87**	**154.63**	**11.97**	**247.69**	**36.82**	**159.02**	**56.63**	**21,119.38**
Additions	-	15.39	0.87	7.64	52.38	-	-	0.63	0.00	2.28	0.72	79.92
Adjustments^	(0.00)	(11.16)	-	(0.00)	0.00	(0.03)	(0.11)	(0.00)	-	(0.36)	(1.73)	(13.39)
Disposals	-	(2.88)	-	(0.04)	(18.26)	(0.76)	(1.16)	(0.93)	(0.14)	(0.50)	(0.66)	(25.33)
As at 31 March 2025	**18.25**	**2,017.94**	**180.97**	**7,962.39**	**10,317.00**	**153.84**	**10.70**	**247.39**	**36.68**	**160.45**	**54.97**	**21,160.58**
Accumulated depreciation												
As at 01 April 2023	-	1,368.74	126.10	7,048.17	9,335.43	148.24	11.74	286.12	35.53	144.19	-	18,504.25
Charge for the year	**-**	**56.50**	**5.18**	**72.26**	**139.34**	**0.59**	**0.01**	**0.78**	**0.02**	**1.29**	**-**	**275.98**
Adjustments^	-	(6.17)	(0.00)	(0.06)	(60.96)	(1.54)	(0.35)	(53.01)	(0.23)	(1.89)	-	(124.22)
As at 31 March 2024	**-**	**1,419.06**	**131.28**	**7,120.38**	**9,413.81**	**147.30**	**11.39**	**233.89**	**35.31**	**143.59**	**-**	**18,656.01**
Charge for the year	-	51.47	5.15	65.85	111.65	0.50	0.00	0.89	0.01	1.55		237.06
Adjustments^	**-**	**(5.73)**	**-**	**(0.04)**	**(16.36)**	**(0.77)**	**(1.21)**	**(0.89)**	**(0.17)**	**(0.83)**		**(25.98)**
As at 31 March 2025	**-**	**1,464.80**	**136.43**	**7,186.19**	**9,509.11**	**147.03**	**10.19**	**233.89**	**35.15**	**144.31**	**-**	**18,867.09**
Net carrying value as at 31 March 2024	**18.25**	**597.53**	**48.82**	**834.42**	**869.07**	**7.33**	**0.58**	**13.81**	**1.50**	**15.43**	**56.63**	**2,463.37**
Net carrying value as at 31 March 2025	**18.25**	**553.13**	**44.55**	**776.20**	**807.89**	**6.82**	**0.52**	**13.50**	**1.53**	**16.14**	**54.97**	**2,293.49**

^Adjustments includes transfer to/from investment properties & Assets held for sale.

Notes:

(i) Contractual obligations

Refer note 51 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Depreciation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

(iii) Adjustment includes disposal, value difference, spill over etc. identified during the year.

(iv) The title deed of property having carrying value of Rs. 1.24 Crore deposited with bank as security. (Refer Note 24)

(v) The title deed of property having carrying value of Rs. 0.22 Crore deposited with bank as security. (Refer Note 64(a))

(vi) Refer Note72 for impairment

(vii) Title deeds of Properties : Refer note 58 for disclosure of title deeds of Properties.

5. Capital work-in-progress

	31 March 2025	31 March 2024
Buildings	2.86	6.73
Apparatus & plants	11.02	49.92
Lines & wires	0.70	1.50
Cables	7.83	7.94
Subscribers' installations	1.89	3.99
Air conditioning plants	0.79	3.33
CWIP- Inventory	60.05	63.61
	85.15	**137.02**
Less: provision for :		
Abandoned work	(1.70)	(1.70)
CWIP- Inventory	(51.48)	(49.52)
	31.97	**85.80**

Movement in capital work in progress: **(Rs. in crores)**

Particulars	Amount
Capital work-in-progress as at 01 April 2023	**59.49**
Add: additions during the year	62.12
Less: capitalisation during the year	(35.81)
Less: reversal/(provision) for abandoned work	-
Capital work-in-progress as at 31 March 2024	**85.80**
Add: additions during the year	23.21
Less: capitalisation during the year	(75.08)
Less: reversal/(provision) for abandoned work	(1.96)
Capital work-in-progress as at 31 March 2025	**31.97**

Notes:

(i) Contractual obligations

Refer note 51 for disclosure of contractual commitments.

(ii) Nature of expenses capitalised during the year **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Salaries and other employee costs	10.54	19.50
Total	**10.54**	**19.50**

(iii) Ageing schedule of capital work-in-progress **(Rs. in crores)**

31 March 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.26	6.66	2.05	59.48	83.45
Projects temporarily suspended	-	-	-	1.70	1.70
Total CWIP	**15.26**	**6.66**	**2.05**	**61.18**	**85.15**

(Rs. in crores)

31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	60.81	5.58	6.05	62.88	135.32
Projects temporarily suspended	-	-	-	1.70	1.70
Total CWIP	**60.81**	**5.58**	**6.05**	**64.58**	**137.02**

(iv) No project is overdue or exceeded its original timelines & estimated cost.

6. Right-of-use assets **(Rs. in crores)**

Description	'Leasehold land	Buildings	Towers	Vehicle	Total
Gross carrying value					
As at 01 April 2023	355.57	65.59	261.46	0.86	683.47
Additions/Transfer In	0.07	-	1.96	-	2.03
Adjustments^	(3.59)	(32.48)	(0.10)	(0.86)	(37.03)
Deletions/Transfer Out		(0.95)	-	-	(0.95)
As at 31 March 2024	**352.05**	**32.16**	**263.32**	**-**	**647.52**
Additions/Transfer In					-
Adjustments	0.25	(0.64)	(0.47)		(0.86)
Deletions/Transfer Out					-
As at 31 March 2025	**352.30**	**31.52**	**262.85**	**-**	**646.67**
Accumulated depreciation					
As at 01 April 2023	86.70	38.99	184.27	0.86	310.82
Charge for the year	0.93	3.49	38.11	-	42.53
Adjustments duirng the year	2.47	(21.56)	-	(0.86)	(19.94)
As at 31 March 2024	**90.10**	**20.92**	**222.38**	**0.00**	**333.40**
Charge for the year	3.28	2.66	26.33		32.28
Adjustments duirng the year	0.27	(0.76)	-		(0.50)
As at 31 March 2025	**93.65**	**22.82**	**248.71**	**0.00**	**365.18**
Net carrying value as at 31 March 2024	**261.94**	**11.24**	**40.94**	**(0.00)**	**314.12**
Net carrying value as at 31 March 2025	**258.64**	**8.70**	**14.14**	**(0.00)**	**281.48**

Adjustment includes disposal, value difference etc. identified during the year.

Refer note 52 and 58 for further details on leases.

7. Investment property

(Rs. in crores)

Description	Gross block				Accumulated depreciation				Net block	
	'01 April 2023	Additions	Disposals/ adjustments^	'31 March 2024	'01 April 2023	Charge	Disposals/ adjustments^	'31 March 2024	'31 March 2024	'31 March 2023
Freehold land	0.77	-	-	0.77	-	-	-	-	0.77	0.77
Leasehold land	16.84	-	0.42	17.25	5.13	0.22	0.07	5.41	11.84	11.71
Buildings	84.02	0.00	3.43	87.45	34.75	1.75	1.52	38.02	49.43	49.27
Total	**101.63**	**0.00**	**3.85**	**105.48**	**39.88**	**1.97**	**1.59**	**43.44**	**62.04**	**61.75**

Description	Gross block				Accumulated depreciation				Net block	
	'01 April 2024	Additions	Disposals/ adjustments^	'31 March 2025	'01 April 2024	Charge	Disposals/ adjustments^	'31 March 2025	'31 March 2025	'31 March 2024
Freehold land	0.77	0.00	-	0.77	-	-	-	-	0.77	0.77
Leasehold land	17.25	-	0.02	17.27	5.41	0.58	(0.07)	5.93	11.35	11.84
Buildings	87.45	1.78	0.07	89.30	38.02	1.95	1.02	41.00	48.30	49.43
Total	**105.48**	**1.78**	**0.09**	**107.34**	**43.44**	**2.53**	**0.95**	**46.93**	**60.42**	**62.04**

^Disposals/adjustments includes transfer from/to property, plant and equipment.

(i) Amount recognised in profit and loss for investment property

(Rs. in crores)

	31 March 2025	31 March 2024
Rental income	381.30	373.39
Direct operating expenses that generated rental income*	-	-
Direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment property	381.30	373.39

*Direct operating expenses attributable to investment property cannot be specifically identified with properties, although management does not expect them to be material.

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. However all the leases are cancellable at the option of lessee, hence there is no lease disclosure given, as required by Ind AS 116 "Leases".

(iii) Fair value of investment property **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Fair value	4,373.56	4,349.82

The Company reviews fair values annually. The following factors have been considered for determination of fair value -

(a) Leasehold properties - These land properties have been allotted to MTNL on perpetual lease from the government for carrying out operations in normal course of business. The Company constantly reviews the utilisation of its facilities and any surplus properties are considered for letting out to earn rental income. Being leasehold properties, the Company is restricted from selling them in an active market, however, such properties can be converted into freehold properties at circle rates at which the government (or other bodies representing the government) would sell such properties in an active market.

(b) Freehold land - The circle rates are considered to be a fair representation at which such properties can be sold in an active market.market.

(c) **Buildings -** In case of constructed building, cost of construction adjusted with the present day price index has been taken as the basis of valuation. Necessary depreciation for age and life of the structure has been taken into account.

8. Intangible assets

(Rs. in crores)

	Software	One time spectrum fees	Total
Gross carrying value			
At 01 April 2023	133.50	6,564.00	6,697.51
Additions	0.45	-	0.45
Disposals/adjustments	-	-	-
Balance as at 31 March 2024	**133.96**	**6,564.00**	**6,697.96**
Additions	0.08	-	0.08
Disposals/adjustments	(0.45)	-	(0.45)
Balance as at 31 March 2025	**133.59**	**6,564.00**	**6,697.59**
Accumulated amortisation			
At 01 April 2023	126.43	4,806.75	4,933.20
Amortisation charge for the year	6.65	328.64	335.30
Adjustments	-	-	-
Balance as at 31 March 2024	**133.08**	**5,135.39**	**5,268.50**
Amortisation charge for the year	0.25	328.20	328.45
Adjustments	(0.45)	-	(0.45)
Balance as at 31 March 2025	**132.89**	**5,463.59**	**5,596.50**
Net carrying value as at 31 March 2024	**0.87**	**1,428.61**	**1,429.46**
Net carrying value as at 31 March 2025	**0.70**	**1,100.41**	**1,101.08**

Notes:

(i) Contractual obligations

Refer note 51 for disclosure of contractual commitments for the acquisition of intangible assets.

(ii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

(iii) There was no expenditure incurred on research and development during the current and comparative year.

(iv) The life of 3G Spectrum Licence will be expired on 07.08.2028.

9. Non-current investments

(Rs. in crores)

	Number of shares		Amount	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
In equity instruments (At Cost)				
In subsidiaries (unquoted)				
Millennium Telecom Limited (face value Rs. 10 each fully paid up)	28,75,880	28,75,880	2.88	2.88
Mahanagar Telephone Mauritius Limited	57,22,64,029	57,22,64,029	100.97	100.97
Sub total (A)			**103.85**	**103.85**
In Joint ventures (unquoted)				
MTNL STPI IT Services Limited (face value of Rs. 10 each fully paid up)	22,82,000	22,82,000	2.28	2.28
Sub total (B)			**2.28**	**2.28**
In Associates (unquoted)				
United Telecom Limited ('UTL') (face value of Nepali Rs. 100 each fully paid up) (Refer Note (b) below)	57,36,200	57,36,200	35.85	35.85
Less : Impairment			(35.85)	(35.85)
Sub total (C)			**-**	**-**
Total non-current investments (A+B+C)			**106.13**	**106.13**
Aggregate amount of unquoted investments			106.13	106.13

Notes:

(a) Investments in subsidiaries, associates and joint venture are stated at cost as per Ind AS 27 'Separate Financial Statements'.

(b) As per article 12.19 (b) of Shareholders' agreement together with para 27 of the amendatory agreement (together referred to as 'amended agreement') entered into between MTNL, TCIL, TCL and NVPL (Nepal), together referred to as 'Investors' pursuant to their investment in United Telecom Limited ('UTL'), in case NVPL (the local partner in Nepal) decides to sell its stake to any third party, it requires prior consent of other Investors. Further, at any such point of time or otherwise also, as per exit clause in the agreement, any of the other Investors (India partners) other than NVPL can exit the arrangement after 2 years from the amended agreement by issuing 3 months' notice.

Pursuant to this exit clause, the Company had issued notice to UTL on 30 January, 2018 for making an exit. The notice were valid up to 30 April 2018 and subsequent to 30 April 2018, the local partner had sought time extension of another 3 months i.e. till 30 July, 2018 for giving effect to the exit requested by the Company. However M/S NVPL vide its letter dated 31 March 2021, has sent a draft SPA and requested MTNL & other associates to submit response in respect of the draft Share Purchase Agreement ('SPA') for acquisition of shares held by Indian Investors at face value of Nepalese Rupees 100 per share and also CFO of UTL reminded on email on 17-6-21 to return agreed SPA. MTNL and other partners submitted their consent to the SPA in September 2021. In view of inordinate delay in closing the issue all the Indian partners met in May, 2023 and decided to explore legal option from local counsel of Nepal for enforcing the exit option. There is no further progress for giving effect to the exit clause from M/s NVPL. The net worth of the company is already negative and there is no cash flow to support the investment and the company has not been involved in revenue generating activities since long period and even has not paid duties and taxes for the past years. The repatriation of funds seems to be impossible unless clearance of dues of local government. Accordingly, the investment of Rs. 35.85 Crore was tested for impairment in line with Ind AS 28 and impaired to nil value. However, the efforts to recover the investment proceeds as per exit clause will continue, as is being done, and the same shall be accounted for in the year of receipt, in the event of successful recovery.

(c) The physical share certificates of the subsidiary companies, namely Millennium Telecom Limited, Mahanagar Telephone Mauritius Limited and 30,68,200 shares of United Telecom Limited (Associate Company) are not traceable. Efforts are being made to trace the share certificates.

10. Loans

(Rs. in crores)

	31 March 2025 Non-current	31 March 2024 Non-current
Secured, considered good		
Loan to employees	2.15	2.36
Less: allowance for credit impaired loans	(0.04)	(0.04)
	2.11	**2.32**

Notes:

(i) No loans are due from director or other officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is partner, director or a member.

(ii) Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 46 - Financial risk management for assessment of expected credit losses.

11. Other financial assets

(Rs. in crores)

	31 March 2025 Non-current	31 March 2024 Non-current
Bank deposits with more than 12 months maturity	43.77	41.51
Unsecured, considered good		
Security deposits with other departments	221.87	213.91
Receivable from BSNL*	235.20	12.49
Credit impaired		
Security deposits with other departments	3.51	3.73
	504.34	**271.64**
Less: allowance for credit impaired loans	**(3.51)**	**(3.73)**
	500.83	**267.91**

Notes:

(i) Rs. 43.77 crores (31 March 2024 - Rs. 41.51 crores) pledged with the banks for issuing bank guarantees to third parties.

(ii) Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 46 - Financial risk management for assessment of expected credit losses

(iii) *For details on settlement of receivable from BSNL, refer note 65.

12. Income tax assets (net)

(Rs. in crores)

	31 March 2025	31 March 2024
Advance income tax (net of provision)	500.98	599.88
	500.98	**599.88**

13. Other non-current assets

(Rs. in crores)

	31 March 2025	31 March 2024
Capital advances	0.84	2.41
Deferred lease income	20.78	27.36
Balances with statutory authorities	2.54	2.54
Prepaid expenses	0.82	1.43
	24.98	**33.74**

14. Inventories

(Rs. in crores)

	31 March 2025	31 March 2024
(Valued at lower of cost or Net Realisable value, unless otherwise stated)		
Exchange equipments	29.41	30.80
Mobile handsets & sim cards	2.05	2.07
WLL equipments	0.08	0.08
Telephones & telex spares	0.09	0.09
	31.63	**33.04**
Less : provision for obsolete stores	(26.68)	(27.91)
	4.95	**5.13**

15. Trade receivables

(Rs. in crores)

	31 March 2025	31 March 2024
Trade receivables		
- Secured, considered good	90.08	88.86
- Unsecured, considered good	328.48	367.36
- Credit impaired	1,113.77	1,125.05
Unbilled receivables*	239.54	173.92
	1,771.87	**1,755.18**
Less: Allowance for impairment		
Unsecured considered good (expected credit loss)	(113.32)	(133.68)
Credit impaired**	(1,113.77)	(1,125.05)
	544.77	**496.45**

* Represents contract assets under Ind AS 115. Refer note 57 for details.

** Expected Credit Loss on unbilled revenue amounts to Rs. 13.64 Crore (31 March 2024 - Rs. 4.08 Crore)

Notes:

(i) Trade receivables have been pledged as security for liabilities, for details refer note 54.

(ii) No trade or other receivable are due from director or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is partner, director or a member.

(iii) Trade receivables are secured to the extent of security deposits received from customers, with contractual amounts as at 31 March 2025 of Rs.90.08 crores (31 March 2024 - Rs. 88.86 crores) and related amortised cost as at 31 March 2025 of Rs. 40.33 crores (31 March 2024 - Rs. 40.14 crores).

(iv) 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.

(v) The carrying values of trade receivables are considered to be a reasonable approximation of fair values.

(vi) Ageing schedule of trade receivables.

(Rs. in crores)

31 March 2025	**Outstanding from the due date of payment**					**Total**
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed trade receivables – considered good	55.52	79.53	24.45	21.99	235.49	416.98
Undisputed Trade Receivables – which have significant increase in credit risk	8.52	9.19	15.81	33.79	410.16	477.46
Undisputed trade receivables – credit impaired	0.58	2.97	3.77	4.41	626.16	637.88
Disputed trade receivables – considered good						-
Undisputed - unbilled revenue - considered good	239.54					239.54
Total	**304.15**	**91.68**	**44.04**	**60.19**	**1,271.81**	**1,771.87**
Less Provision for doubtful debts						**(1,227.09)**
Net Trade receivable						**544.77**

(Rs. in crores)

31 March 2024	Outstanding from the due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	61.75	68.54	25.56	39.91	141.51	337.28
Undisputed Trade Receivables – which have significant increase in credit risk	10.08	8.61	36.18	205.58	36.99	297.43
Undisputed trade receivables – credit impaired				1.32	945.23	946.55
Disputed trade receivables – considered good	-	-	-	-	-	-
Undisputed - unbilled revenue - considered good	173.92					173.92
Total	**245.75**	**77.15**	**61.75**	**246.81**	**1,123.72**	**1,755.18**
Less Provision for doubtful debts						**(1,258.73)**
Net Trade receivable						**496.45**

16. Cash and cash equivalents

(Rs. in crores)

	31 March 2025	31 March 2024
Balances with banks in current accounts	163.88	61.14
Cheques, drafts in hand	0.16	0.18
Cash on hand	0.09	0.09
Less: provision for doubtful bank balances	(0.56)	(0.56)
	163.57	**60.85**

The carrying values are a reasonable approximate of their fair values.

17. Other bank balances

(Rs. in crores)

	31 March 2025	31 March 2024
Balance with banks in escrow accounts	0.00 *	-
	0.00	**-**

***Rs. 21,216/-**

18. Loans

(Rs. in crores)

	31 March 2025 Current	31 March 2024 Current
Secured, considered good		
Loan to employees	2.02	2.59
Unsecured, considered good		
Loan to employees	1.51	1.43
	3.52	**4.02**
Less: Allowance for credit impaired loans	(1.94)	(1.98)
	1.58	**2.04**

Notes:

Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost.

19. Other financial assets

(Rs. in crores)

	31 March 2025 Current	31 March 2024 Current
Amount recoverable		
IUC operators	394.00	472.75
DoT	232.76	7.16
Others	442.83	525.53
Security deposits with other departments	18.33	27.38
Receivable from BSNL	3,329.84	3,556.58
	4,417.76	**4,589.41**
Less: provision for credit impaired receivables	(110.63)	(90.95)
	4,307.14	**4,498.46**

(i) Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost.

(ii) For details on settlement of receivable from BSNL, refer note 65.

(iii) For details on settlement of receivable from DoT, refer note 70.

(iv) 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.

20. Other current assets

(Rs. in crores)

	31 March 2025	31 March 2024
Advances to suppliers	33.99	33.51
Deferred lease income	12.60	8.49
Balances with statutory authorities	213.27	208.21
Prepaid expenses	9.91	11.20
Other recoverables	0.01	2.65
	269.77	**264.06**
Less: provision for doubtful advances	(21.31)	(18.60)
	248.46	**245.46**

21. Assets held for sale

(Rs. in crores)

	31 March 2025	31 March 2024
'Property, plant and equipment (refer note below)	10.36	4.06
	10.36	**4.06**

Notes:

As of March 31, 2025, eight properties, two in Mumbai unit and six in Delhi unit, have been classified as Non-Current Assets held for sale. The carrying values of these properties are Rs. 8.69 Crores (fair values Rs. 416.49 Crores). By virtue of Union Cabinet approval vide OM dated 02.08.2022 for the monetization of land and buildings, management is actively engaged in the process of monetisation of eligible assets. The generated proceeds will be directed towards BSNL/MTNL to address debt, capital expenditures (CAPEX), and other financial obligations. The aim of these monetization endeavors is to strengthen MTNL's fiscal health, encompassing debt servicing, funding of capital expenditures, and provision for various financial needs to bolster the company's financial position.

In Mumbai unit, the tender to sell the scrapped assets (switches, BTS batteries etc.) having net the carrying value of Rs. 1.68 Crore is under process for auction at the year March 31, 2025 and favourable resolution is expected. Therefore, such assets continue to classify as held for sale.

22. Equity share capital

(Rs. in crores)

	31 March 2025	31 March 2024
Authorised capital		
3,500,000,000 (previous year 3,500,000,000) equity shares of Rs. 10 each	3,500.00	3,500.00
650,000,000 (previous year 650,000,000) preference shares of Rs. 100 each	6,500.00	6,500.00
	10,000.00	**10,000.00**

	31 March 2025	31 March 2024
Issued, subscribed and fully paid up		
630,000,000 (previous year 630,000,000) equity shares of Rs. 10 each fully paid up	630.00	630.00
	630.00	**630.00**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31 March 2025		31 March 2024	
	No. of shares	(Rs. in crores)	No. of shares	(Rs. in crores)
Equity shares at the beginning of the year	63,00,00,000	630.00	63,00,00,000	630.00
Changes during the year	-	-	-	-
Equity shares at the end of the year	**63,00,00,000**	**630.00**	63,00,00,000	630.00

b) Rights/preferences/restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	31 March 2025		31 March 2024	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
President of India	35,43,78,740	56.25	35,43,78,740	56.25
LIC including LIC Fortune Plus secured Fund	8,26,59,957	13.12	8,26,59,957	13.12

d) Details of promoter shareholding

Name of promoter	31 March 2025			31 March 2024		
	Number of shares	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Equity shares of Rs. 10 each fully paid up						
President of India	35,43,78,740	56.25	0.00%	35,43,78,740	56.25	0.00%

e) There are no shares issued for consideration other than cash and no shares have been bought back in last five years.

f) There are no shares reserved for issue under options or other purpose.

23. Other equity **(Rs. in crores)**

	31 March 2025	31 March 2024
Retained earnings		
As per last balance sheet	(26,427.32)	(23,109.90)
Add : Net profit/ (loss) for the year	(3,323.51)	(3,302.19)
Add: Remeasurements of employee benefit obligations	(17.85)	(15.22)
As at the end of the year	**(29,768.68)**	**(26,427.32)**

	31 March 2025	31 March 2024
Other reserves		
Securities premium		
As per last balance sheet	665.00	665.00
Addition/Deletion during the year	-	-
As at the end of the year	**665.00**	**665.00**

	31 March 2025	31 March 2024
Promoter's Contribution		
As per last balance sheet	1,226.29	728.78
Add: Movement in unmortised processing/guarantee fee (net)	68.52	497.51
As at the end of the year	**1,294.81**	**1,226.29**

	31 March 2025	31 March 2024
Contingency reserve		
As per last balance sheet	243.22	243.22
Addition/Deletion during the year	-	-
As at the end of the year	**243.22**	**243.22**
	2,203.04	**2,134.52**
	(27,565.64)	**(24,292.80)**

Nature and purpose of other reserves:

(i) Securities premium

Securities premium represents premium received on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act.

(ii) Contingency reserve

The Company created this reserve for unforeseen tax demands/disallowances by Income tax department under section 80IA of the Income Tax Act, 1961. (Refer Note 63).

(iii) Promoter's Contribution

During the previous financial years, MTNL had issued bonds on which there is waiver of Government Guarantee Fees of 0.9% per annum for the tenure of bonds issued. As per the provision of Ind AS 109, as the fees payable to the government are waived off, it would impact the initial fair value of the bond. The notional benefit of Guarantee Fees amounting to Rs. 68.52 Crores is accounted in Financial Year 2024-25 as promoter contribution received under other equity.

(iv) Other Comprehensive Income (OCI)

The Company has recognised remeasurements benefits on defined benefits plans through Other comprehensive income.

24. Borrowings

(Rs. in crores)

		31 March 2025 Non-current	31 March 2024 Non-current
Secured			
Term loans (net of current maturities)			
From banks	**A**	398.20	1,013.16
Unsecured			
Debentures (net of current maturities)			
Debentures - Series 8D		521.65	518.87
"[55599 number of 7.51% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]"			
Debentures - Series 8C		2,417.03	2,404.21
"[257000 number of 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]"			
Debentures - Series 8B		993.54	988.20
"[105500 number of 7.61% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]"			
Debentures - Series 8A		2,336.12	2,323.41
"[248000 number of 7.59% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]"			
Debentures - Series 7E		59.86	59.53
"[634 number of 7.75% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]"			
Debentures - Series 7D		341.51	339.64
"[3,615 number of 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]"			
Debentures - Series 7C		1,528.05	1,519.61
"[16,176 number of 7.78% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]"			
Debentures - Series 7B		2,607.97	2,593.44
"[27,579 number of 7.87% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]"			

		31 March 2025 Non-current	31 March 2024 Non-current
Debentures - Series 7A		5,780.90	5,749.10
"[61,096 number of 8.00% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]"			
Debentures - Series 6		2,137.65	2,137.49
"[21,386 number of 6.85 % Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]"			
Debentures - Series 5		4,359.45	4,359.11
"[43,614 number of 7.05 % Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]"			
	B	23,083.73	22,992.61
Total Long Term Borrowings (A + B)		**23,481.93**	**24,005.77**
Amount disclosed under other financial liabilities:			
Current maturities of long-term debt		2,146.16	1,789.19
Interest accrued (refer note 32)		800.87	587.56

Notes:

(i) No loans have been guaranteed by the directors and others.

(ii) Due to default in repayment of bank instalment/interest amounting Rs. 1848.96 crores, all loan accounts from banks have become Non-performing assets except one of the lender bank as on 31.03.2025. The company has initiated with the lender banks for possible resolution and settlement of such loans. The outstanding term loans of the lending banks, which have called for repayment, have been shown under current maturities in short-term current borrowings.

(iii) These facilities are securred by floating first pari passu charge on all movable fixed assets (classified under property plant and equipment) and current assets except Leasehold land given as mortgage to Bank of India and Union Bank of India given below . Further, for securing the above term loans letter of comfort was issued by DoT was valid till 26.10.2022.

(iv) Redeemable Non Convertible Debentures are guaranteed by Government of India.

(v) Refer note 45 - Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

(vi) Leasehold given as mortgage to Bank of India and Union Bank of India:

(a) Goregaon Telephone Exchange & Staff Quarters (carrying value Rs. 0.82 Crore) at CTS No-1387 Pt. & 1388 Pt. S V Road, Goregaon (West), Mumbai-400062 mortgage to UBI Bank

(b) Malabar Telephone Exchange (carrying value Rs. 0.42 crore) at CTS No-256, Dr. A G Bell Road, Malabar Hills, Mumbai-400006 mortgage to BOI Bank.

(vii) Reconciliation of financial liabilities arising from financing activities: **(Rs. in crores)**

Particulars	Lease liabilities	Long term borrowings	Short-term borrowings	Total
Net debt as at 1 April 2023	**176.23**	**24,024.64**	**4,674.32**	**28,875.18**
Recognition of lease liabilities (net)	(10.22)	-	-	(10.22)
Cash flows:				
- Proceeds	-	6,660.99	-	6,660.99
- Repayment	(64.95)	(3,996.31)	(441.46)	(4,502.72)
Interest expense	11.94	2,240.42	426.84	2,679.20
Interest paid	-	(2,049.70)	(426.84)	(2,476.54)
Movement in unmortised processing/guarantee fee (net)	-	(497.51)	-	(497.51)
Net debt as at 31 March 2024	**112.99**	**26,382.52**	**4,232.86**	**30,728.38**
Recognition of lease liabilities (net)	(0.27)	-	-	(0.27)
Cash flows:				
- Proceeds	-		2,507.39	2,507.39
- Repayment	(48.76)	(258.32)	-	(307.08)
Interest expense	8.88	2,366.61	531.05	2,906.54
Interest paid	-	(1,993.34)	(531.05)	(2,524.38)
Movement in unmortised processing/guarantee fee (net)	-	(68.52)	-	(68.52)
Net debt as at 31 March 2025	**72.84**	**26,428.96**	**6,740.25**	**33,242.05**

(viii) For repayment terms of the outstanding long-term borrowings (including current maturities) refer the table below:

(a) As on 31 March 2025 **(Rs. in crores)**

Name of bank	Amount outstanding	Non-Current Maturities	Current Maturities	"Overdue Instalment"	"Overdue Interest"	No. of instalments	Date of NPA	Rate of interest
State Bank of India	313.90		313.90	313.90	36.15	Over due instalments of Rs 313.90 crore	28/9/2024	12.10%
Union Bank of India	88.45		88.45	88.44	6.39	Over due instalments of Rs 88.45 crore	12/8/2024	10.45%
Union Bank of India (e-Andhra Bank)	77.11		77.11	77.11	7.40	Over due instalments of Rs 77.11 crore	12/8/2024	10.62%
Union Bank of India (e-orporation Bank)	84.37		84.37	84.36	6.08	Over due instalments of Rs 88.37 crore	12/8/2024	10.16%

Name of bank	Amount outstanding	Non-Current Maturities	Current Maturities	"Overdue Instalment"	"Overdue Interest"	No. of instalments	Date of NPA	Rate of interest
Punjab & Sindh Bank	87.57		87.57	87.57	5.90	Over due instalments of Rs 87.57 crore	8/10/2024	9.44%
Punjab National Bank (e-United Bank)	34.37		34.37	34.37	2.66	Over due instalments of Rs 34.37 crore	10/9/2024	8.79%
Punjab National Bank (e-Oriental Bank of Commerce)	197.79		197.79	150.00	14.93	Over due instalments of Rs 150 crore and balance repayment due in 1 instalments of 47.49 Crores in Jun-25	10/9/2024	8.75%
Bank of India LCB	201.34		201.34	112.50	12.67	Over due instalments of Rs 112.5 crore and balance repayment due in 2 instalments of Rs 44.42 cr in Jun-25 and Sep-25	4/9/2024	8.71%
UCO bank	245.83		245.83	245.83	20.56	Over due instalments of Rs 245.83 crore	28/6/2024	9.93%
Union Bank of India (e-Andhra Bank)	106.54		106.54	67.50	9.64	Over due instalments of Rs 67.50 crore and balance repayment due in 2 instalments ,22.5 Crores in May-25 & Rs 16.54 cr in Aug-25	12/8/2024	10.45%
Punjab & Sindh Bank	80.78		80.78	45.00	6.05	Over due instalments of Rs 45 crore and balance repayment due in 2 instalments, 15 Crores in May 25 & Rs 20.78 crore in Aug-25	8/10/2024	9.30%

Name of bank	Amount outstanding	Non-Current Maturities	Current Maturities	"Overdue Instalment"	"Overdue Interest"	No. of instalments	Date of NPA	Rate of interest
"Union Bank of India (e-orporation Bank)"	248.91		248.91	150.00	21.09	Over due instalments of Rs 150 crore and balance repayment due in 2 instalments 37.5 Crores in Jun-24 & 61.41 crore in Sep-25	12/8/2024	10.54%
Bank of India CGO	298.20	98.20	200.00	99.59	25.45	Over due instalments of Rs 99.59 crore and balance repayment due in 7 instalments, 25 Crores in each quarter from Jun-25 to Sep-26 & 48.61 crore in Dec-26	4/9/2024	9.85%
Union Bank of India	479.20	300.00	179.20	79.19	38.63	Over due instalments of Rs 79.20 crore and balance repayment due in 16 Instalments of Rs 25 crore From Apr-25 to Dec-28	12/8/2024	10.46%
Less: Adjustment for processing fees on long term loans recognised using effective interest rate	-							
Less: Current maturities of long term debt	(2,146.16)							
Long term borrowings	**398.20**							

Rate of interest- The Company's total borrowings from banks and others have a effective weighted average rate of 10.17% per annum calculated using the interest rate effective as on 31 March 2025.

(a) As on 31 March 2024 **(Rs. in crores)**

Name of bank	Amount outstanding (in crores)	Non-Current Maturities	Current Maturities	No. of instalments	Rate of interest
State Bank of India	313.90	-	313.90	Repayment due in 2 instalments 135 Crores/ quarter (2 Instalments)From Jun-24 to Sep-24 & Rs 43.90 cr in Sep-24	8.89%
Union Bank of India	136.86	-	136.86	Repayment due in 2 instalments 50 Crores/ quarter (2 Instalments)From May-24 to Aug-24 & Rs 36.86 cr in Sep-24	9.65%
Union Bank of India (e-Andhra Bank)	77.10	-	77.10	Repayment due in 2 instalments 25 Crores/ quarter (2 Instalments)From Jun-24 to Sep-24. & Rs 27.10 cr in Sep-24	9.80%
Union Bank of India (e-Corporation Bank)	130.74	-	130.74	"Repayment due in 2+3 instalments 6.25 Cr in Jun-24 & 40.37 in Sep-24 (2 Instalment) 37.5 Crores/quarter (1 Instalments)on Apr-24 6.25 Cr in Jul-24 & 40.38 in Oct-24 (2 instalment)"	9.65%
Punjab & Sindh Bank	123.75	-	123.75	Repayment due in 3 instalments spread 37.5 Crores/quarter (3 Instalments)From Apr-24 to Oct-24 & Rs 11.25 cr in Oct-24	8.60%
Punjab National Bank (e-United Bank)	56.87	-	56.87	Repayment due in 2 instalments 22.5 Crores/ quarter (2 Instalments)From Jun-24 to Sep-24 & Rs 11.87 cr in Sep-24	8.50%
Punjab National Bank (e-Oriental Bank of Commerce)	197.79	47.79	150.00	Repayment due in 5 instalments 37.5 Crores/ quarter (5 Instalments)From Jun-24 to Jun-25 & Rs 10.29 cr in Jun-25	8.65%
Bank of India	236.45	86.45	150.00	Repayment due in 6 instalments 37.5 Crores/ quarter (6 Instalments)From Jun-24 to Sep-25 & Rs 11.45cr in Sep-25	8.85%
UCO bank	282.74	132.75	149.99	Repayment due in 7 instalments 37.5 Crores/ quarter (7 Instalments)From May-24 to Nov-25 & Rs 20.24 cr in Nov-25	9.60%
Union Bank of India (e-Andhra Bank)	129.04	39.04	90.00	Repayment due in 6 instalments 22.5 Crores/ quarter (5 Instalments)From May-24 to May-25 & Rs 16.54 cr in Aug-25	9.80%
Punjab & Sindh Bank	95.32	35.32	60.00	Repayment due in 6 instalments 15 Crores/ quarter (6 Instalments)From May-24 to Aug-25 & Rs 5.32 cr in Aug-25	8.95%
Union Bank of India (e-Corporation Bank)	248.91	98.91	150.00	Repayment due in 6 instalments 37.5 Crores/ quarter (6 Instalments)From Jun-24 to Sep-25 & Rs 23.91 cr in Sep-25	9.65%
Bank of India	298.20	198.23	99.97	Repayment due in 11 instalments 25 Crores/ quarter (11 Instalments)From Jun-24 to Dec-26 & 23.20 in Dec-26	9.95%
Union Bank of India	475.00	375.00	100.00	25 Crores/quarter (11 Instalments)From Jun-24 to Dec-28	10.40%
Less: Adjustment for processing fees on long term loans recognised using effective interest rate	(0.33)				
Less: Current maturities of long term debt	(1,789.19)				
Long term borrowings	**1,013.16**				

Rate of interest: The Company's total borrowings from banks and others have a effective weighted average rate of 9.21% per annum calculated using the interest rate effective as on 31 March 2024.

***Debentures-Series 8D**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.51% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 06th March 2034. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 8C**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 07th November 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 8B**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.61% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 24th August 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 8A**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.59% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 20th July 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7E**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.75% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 24th March 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7D**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 24th February 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7C**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.78% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 10th February 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7B**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.87% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 01st December 2032. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7A**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 8.00% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 15th November 2032. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 6**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 6.85 % Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 20th December 2030. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 5**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.05 % Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 11th October 2030. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

(ix) Government of India approved the financial support to the Company in the year 2014 and on surrender of Broadband Wireless Access (BWA) Spectrum by MTNL, upfront charges paid by the Company in the year 2011 for such spectrum amounting to Rs. 4,533.97 crores were agreed to be funded by way of issuance of debentures by the Company on behalf of Government of India (GOI) and for which GOI provided sovereign guarantee with attendant condition for repayment of principal on maturity as well as the interest payments through DOT. Accordingly, the Company does not have any liability towards repayment of principal and interest on the bonds issued and has been offset against the amount recoverable from DoT of equivalent amount. Out of Rs. 4,533.97 crores, Non Convertible Debentures of Rs. 3,668.97 crores were redeemed during the current financial year and Rs. 865 Crores were redeemed previous year.

25. Lease liabilities **(Rs. in crores)**

	31 March 2025 Non-current	31 March 2024 Non-current
Lease liabilities	54.41	67.14
	54.41	**67.14**

26. Other financial liabilities **(Rs. in crores)**

	31 March 2025 Non-current	31 March 2024 Non-current
Security deposits	166.83	172.76
	166.83	**172.76**

Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

27. Long-term provisions **(Rs. in crores)**

	31 March 2025	31 March 2024
Provision for employee benefits		
Provision for leave encashment	238.39	221.64
Provision for pension	96.67	96.68
Provision for gratuity	48.92	48.92
Provision for asset retirement obligations	17.67	17.95
	401.66	**385.20**

(i) Information about individual provisions and significant estimates

(a) Provision for asset retirement obligations

The Company as part of its business installs wireless telecommunication towers and other equipments for facilitating telecommunication services to its customers and is under an obligation to decommission the tower and replenish the site at end of useful life of the tower and other equipment. For the purpose of same Appendix A to Ind AS 16, "Property, Plant and Equipment" states measurement of Property, plant and equipment to include initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The Company has estimated the cost of dismantling based on independent bids received from open market and the same have been escalated using the expected inflation rate (6% per annum) and discounted at the rates prevailing at each period end date.

(b) For disclosures required related to provision for employee benefits, refer note 48- Employee benefit obligations.

(ii) Movement in provision related to asset retirement obligations during the financial year:

(Rs. in crores)

	31 March 2025	31 March 2024
As at beginning of reporting period	**17.95**	**17.76**
Additions during the year	-	0.04
Amounts used during the year on account of dismantled towers	(0.53)	(0.19)
Increase in the discounted amount arising from the passage of time and effect of any change in discount rate	0.25	0.35
As at end of reporting period	**17.67**	**17.95**

28. Other non-current liabilities* **(Rs. in crores)**

	31 March 2025	31 March 2024
Deferred income	37.70	47.70
Deferred activation/ installation charges	3.55	5.28
	41.24	**52.98**

*Represents contract liabilities under Ind AS 115. Refer note 57 for details.

29. Short-term borrowings **(Rs. in crores)**

	31 March 2025	31 March 2024
Secured		
Current maturities of long-term borrowings	2,146.16	1,789.19
Unsecured		
From banks		
Cash credit from banks	5,589.02	4,232.86
From others		
Short term loans*	1,151.23	-
	8,886.41	**6,022.05**

Notes:

(i) *Loan of Rs 1151.23 Crores have been provided by Government of India for payment of interest on Sovereign Guarantee Bonds issued by the company. Terms & conditions of the loan does not contain any stipulation regarding payment of interest. In absence thereof, no interest has been provided in the financial statements for the period.

(ii) Detail of Cash credit limit from banks **(Rs. in crores)**

BANK NAME	Date of NPA	Outstanding Amount	Sanction Limit	Overdue	Interest Rate
Union Bank of India	12/8/2024	276.01	250	26.01	10.90%
Indian Overseas Bank	3/2/2025	2375.23	2300	75.23	9.90%
Union Bank of India	12/8/2024	2183.59	2000	183.59	10.90%
Punjab National Bank	10/9/2024	214.5	200	14.5	8.80%
Bank of India	4/9/2024	539.69	500	39.69	10.80%
		5589.02	**5250**	**339.02**	

(iii) The carrying values of above are considered to be a reasonable approximation of their fair values.

30. Lease liabilities **(Rs. in crores)**

	31 March 2025	31 March 2024
Current portion of lease liabilities	18.43	45.86
	18.43	**45.86**

31. Trade payables

(Rs. in crores)

	31 March 2025	31 March 2024
Due to micro and small enterprises (refer note 55)	111.59	72.36
Due to others*	773.61	897.91
Other accrued liabilities	107.18	99.73
	992.38	**1,070.00**

*includes related party balances

The carrying values of above are considered to be a reasonable approximation of their fair values.

Refer note 58 for disclosure of ageing of Trade Payables

31 March 2025	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises- undisputed	69.02	14.44	6.92	17.50	107.88
Others- undisputed	229.18	80.13	133.85	241.08	684.24
Micro, small and medium enterprises- disputed	1.27	1.50	1.54	0.03	4.35
Others - disputed	0.72	0.42	1.05	120.06	122.26
Unbilled - undisputed	23.79	2.54	1.43	5.03	32.78
Unbilled - disputed	6.41	12.41	5.33	16.72	40.87
Total	**330.39**	**111.44**	**150.13**	**400.42**	**992.38**

31 March 2024	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises - undisputed	40.16	11.41	4.55	10.56	66.68
Others- undisputed	320.80	52.38	192.06	174.35	739.58
Micro, small and medium enterprises- disputed	1.28	1.79	2.62	-	5.68
Others - disputed	0.01	-	0.13	116.17	116.31
Unbilled - undisputed	43.00	11.01	8.34	40.82	103.18
Unbilled - disputed	22.06	2.35	1.70	12.46	38.56
Total	**427.30**	**78.94**	**209.40**	**354.36**	**1,070.00**

32. Other financial liabilities **(Rs. in crores)**

	31 March 2025	31 March 2024
Interest accrued		
- Not due on bonds	587.27	586.88
- Due on borrowings	213.60	0.68
- Not due on customer deposits	(0.00)	0.07
Security deposits	127.41	120.72
Employee related payables to GPF Trust*	750.48	761.10
Amount payable to contractors other than goods and services	249.87	250.71
Amount payable to other operators	53.77	49.44
Other payables	151.56	166.55
	2,133.96	**1,936.16**

Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial liabilities measured at amortised cost.

*Refer Note 81 for details.

33. Other current liabilities **(Rs. in crores)**

	31 March 2025	31 March 2024
Advances received*	201.74	280.86
Statutory dues	652.34	207.75
Deferred income*	9.98	9.72
Deferred activation/ installation charges*	1.01	1.08
	865.07	**499.41**

*Represents contract liabilities under Ind AS 115. Refer note 57 for details.

34. Short-term provisions **(Rs. in crores)**

	31 March 2025	31 March 2024
Provision for employee benefits		
Provision for leave encashment - Company employees	22.36	25.23
Provision for leave encashment - Others	1.35	1.17
Provision for pension - Others	0.49	0.41
Provision Others		
Provision for Others	53.42	55.87
	77.62	**82.68**

For disclosures required related to provision for employee benefits, refer note 48- Employee benefit obligations

35. Revenue from operations

(Rs. in crores)

		31 March 2025	31 March 2024
Fixed telephone income			
Revenue - Telephone calls and other charges		21.85	23.47
Revenue - Fixed telephone monthly charges		95.16	129.82
Revenue - Telephone (Franchise services)		0.53	0.95
Revenue - Access calls and other charges		12.45	9.17
Revenue - Rent and junction charges		22.23	17.26
Revenue - Broadband		94.98	112.83
Revenue - ISDN call charges		1.99	3.59
Revenue - ISDN call rental		28.16	32.64
Enterprise business			
Revenue - Local circuits		227.47	251.58
Revenue - Long distance circuits		1.86	2.34
Mobile revenue			
Revenue - Activation charges		0.08	0.05
Revenue - Mobile rental and call charges		9.30	9.34
Revenue - Income from roaming		(8.15)*	9.73
Revenue - Prepaid trump		9.32	7.26
Revenue - IUC income		3.09	3.47
Revenue - VAS		0.27	0.12
Others			
Revenue - Free phone services		50.51	50.44
Revenue - Internet		11.03	12.09
Revenue - Premium rate services		0.15	0.15
Revenue - Other services		17.59	17.81
	A	**599.86**	**694.11**
Other operating revenues			
Other operating revenues - Surcharge on delayed payment		1.78	2.14
Other operating revenues - Revenue from enterprise business		27.30	32.12
Other operating revenues - Revenue from sale of goods		0.02	0.09
	B	**29.09**	**34.36**
Total Revenue from operations (A+B)		**628.95**	**728.47**

*Refer Note 74

36. Other income

(Rs. in crores)

	31 March 2025	31 March 2024
Interest on:		
Interest from bank deposits	3.62	12.66
Interest on advance to employees	0.58	0.77
Interest on income tax refund	8.70	-
Other interest income	9.06	5.29
	21.96	**18.72**
Other income		
Income from Leave & Gratuity Trusts	27.27	27.13
Sale of directories, pub. etc.	0.00	0.04
Gain on sale of property, plant and equipment (net)	6.19	1.80
Income from liquidated damages	0.10	0.02
Exchange variation (net)	0.04	0.01
Bad debts recovered	0.02	0.01
Credit balances written back	128.49	66.43
Rental on quarters/ hostels etc.	10.74	12.05
Rental income from properties *	381.30	373.39
Rental income from towers and BTS	50.29	54.74
Miscellaneous income	51.67	18.66
	656.11	**554.29**
Total Other income	**678.07**	**573.01**

*Effective 1st April 2024, the company has decided not to recognise rental income due from BSNL in view of uncertainty in realisation. However, Amount accounted for Upto 31.03.2024 has not been derecognised.

37. License fees expense

(Rs. in crores)

	31 March 2025	31 March 2024
License fees expenses	53.59	57.95
Spectrum charges	2.61	2.09
	56.20	**60.04**

38. Employee benefit expense

(Rs. in crores)

	31 March 2025	31 March 2024
Salaries, wages allowances & other benefits	464.25	466.49
Medical expenses and allowances	28.51	39.77
Pension contribution		
(a) Company employees	11.12	11.62
(b) Others	1.02	2.89
Leave encashment		
(a) Company employees	37.22	31.49
(b) Others	0.43	0.54
Contribution to gratuity fund	10.35	7.22
Contribution to provident & other funds	27.87	29.51
Staff welfare expenses	0.05	0.04
	580.82	**589.56**
Less : Allocation to CWIP	(10.54)	(19.50)
	570.29	**570.06**

For descriptive notes on disclosure of defined benefit obligation, refer note 48 - Employee benefit obligations.

39. Finance costs

(Rs. in crores)

	31 March 2025	31 March 2024
Interest on		
- term loans	270.72	321.49
- cash credit facility	531.05	418.58
- short-term loan facility	-	8.26
- bonds	1,828.07	1,711.97
- customer deposits	0.00	0.00
- lease liability	8.88	11.94
- others	11.48	10.58
Other finance costs		
- commitment fees	2,918.03	2,689.78
	2,918.03	**2,689.78**

40. Depreciation and amortisation expense

(Rs. in crores)

	31 March 2025	31 March 2024
Depreciation on		
Property, plant and equipment	237.06	275.98
Investment properties	2.53	1.97
Right of use	32.28	42.53
Amortisation on		
Intangible assets	328.45	335.30
	600.32	**655.77**

41. Other expenses

(Rs. in crores)

	31 March 2025	31 March 2024
Power, fuel and water	145.88	166.29
Rent	40.48	60.42
Repairs to buildings	9.04	8.46
Repairs to machinery	59.52	71.83
Repairs others	19.43	27.82
Insurance	0.05	0.06
Rates and taxes	55.24	39.45
Travelling and conveyance	0.28	0.46
Postage, telegram and telephones	2.13	1.18
Printing and stationery	0.98	1.73
Vehicle expenses	5.03	5.89
Advertisement and promotional expenses	0.08	0.09
Bad debts written off	10.66	11.72
Auditor's Remuneration*	0.85	0.85
Legal and professional expenses	4.06	4.16
Security service expenses	16.71	16.93
Loss on sale of property, plant and equipment (net)	(0.00)	1.49
Internet charges	1.34	2.08
Provision for insurance claims	1.50	0.95
Provision for abandoned work- capital work-in-progress	-	0.01
Provision for doubtful debts	8.26	63.41
Provision for obsolete inventory	0.26	3.81
Provision for doubtful claims	23.84	11.68
Provision for diminishing in value of Investment	-	35.85
Outsourcing expenditure	12.42	11.27
Settlement of financial instruments	0.05	0.26
Interest on delay payment to MSME vendors & GST	10.05	4.03
Penal interest	0.25	0.47
Miscellaneous expenses	9.41	13.97
	437.81	**566.64**
***Remuneration As Auditor:**		
Audit fee	0.65	0.65
Tax audit fee	0.08	0.08
For reimbursement of expenses	0.12	0.12
	0.85	**0.85**

42. Tax expense **(Rs. in crores)**

	31 March 2025	31 March 2024
Current tax (including taxes earlier years)	-	-
Deferred tax	-	-
	-	**-**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.944% and the reported tax expense in profit or loss are as follows:

	31 March 2025	31 March 2024
Accounting profit before income tax	**(3,323.51)**	**(3,302.19)**
At country's statutory income tax rate of 34.944% (31 March 2024: 34.944%)	(1,161.37)	(1,153.92)
Adjustments in respect of taxes earlier years		
Difference in property, plant and equipment as per books and Income Tax Act, 1961	112.66	119.90
Non-deductible expenses for tax purposes	(107.43)	(78.73)
Employee benefits allowed on payment basis	3.71	2.49
Others	-	-
Deferred tax not created on losses for current year	1,152.42	1,110.26
	-	-

(i) MTNL has unabsorbed depreciation and brought forward business losses amounting to Rs. 32177.88 crores as on 31 March 2024 on which no deferred tax asset has been recognised. Deferred tax asset shall be created in the year in which the Company will have reasonable certainty of future taxable income as required by Indian Accounting Standard 12 - "Income Taxes" as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(ii) The Company has not recognized tax expense/credit (current and deferred tax) in the statement of profit and loss (including other comprehensive income) as the Company is incurring losses and there is no reasonable certainty supported by convincing evidence that sufficient future taxable profits will be available against which unused tax losses can be utilized.

(iii) Details of year wise expiry are given below: **(Rs. in crores)**

Particulars	Year of origination	Year of expiry	Amount
Brought forward losses	Assessment year 2017-18	Financial year 2024-25	2,242.64
Brought forward losses	Assessment year 2018-19	Financial year 2025-26	2,457.36
Brought forward losses	Assessment year 2019-20	Financial year 2026-27	2,825.57
Brought forward losses	Assessment year 2020-21	Financial year 2027-28	2,965.61
Brought forward losses	Assessment year 2021-22	Financial year 2028-29	2,853.22
Brought forward losses	Assessment year 2022-23	Financial year 2029-30	2,067.07
Brought forward losses	Assessment year 2023-24	Financial year 2030-31	2,516.32
Brought forward losses	Assessment year 2024-25	Financial year 2031-32	2,864.60
Brought forward losses	Assessment year 2025-26	Financial year 2032-33	3,020.00
Unabsorbed depreciation	Multiple	Indefinite	8,365.50

43. Other Comprehensive Income

(Rs. in crores)

	31 March 2025	31 March 2024
Items that will not be reclassified to profit or loss		
Re-measurement gains (losses) on defined benefit plans	(17.85)	(15.22)
Income tax effect	-	-
	(17.85)	**(15.22)**

44. Loss per equity share

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

(Rs. in crores)

	31 March 2025	31 March 2024
Net loss attributable to equity shareholders		
Continuing operations	(3,323.51)	(3,302.19)
Discontinued operation	-	-
Net Loss attributable to equity holders of the Company	**(3,323.51)**	**(3,302.19)**
Loss per equity share:		
Nominal value of equity share (Rs.)	10.00	10.00
Weighted-average number of equity shares for basic and diluted EPS	63,00,00,000	63,00,00,000
Basic and diluted loss per share (Rs.)	**(52.75)**	**(52.42)**

45 Fair value disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets and liabilities measured at fair value - recurring fair value measurements.

(iii) Fair value of instruments measured at amortised cost.

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(Rs. in crores)

Particulars	Level	31 March 2025		31 March 2024	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	3.69	3.29	4.35	3.90
Other financial assets	Level 3	4,807.97	4,546.25	4,766.37	5,389.95
Total financial assets		**4,811.66**	**4,549.55**	**4,770.72**	**5,393.85**
Borrowings	Level 3	32,368.34	33,725.90	30,027.82	30,823.98
Other financial liabilities	Level 3	2,300.79	2,439.66	2,108.92	2,080.21
Total financial liabilities		**34,669.13**	**36,165.56**	**32,136.74**	**32,904.19**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other receivables, trade payables and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2025 was assessed to be insignificant.

46 Financial risk management

i) Financial instruments by category **(Rs. in crores)**

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	-	-	-	-	-	-
Loans	-	-	3.69	-	-	4.35
Other financial assets	-	-	4,807.97	-	-	4,766.37
Trade receivables	-	-	544.77	-	-	496.45

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Cash and cash equivalents	-	-	163.57	-	-	60.85
Other bank balances	-	-	0.00	-	-	-
Total	**-**	**-**	**5,520.01**	**-**	**-**	**5,328.02**
Financial liabilities						
Borrowings	-	-	32,368.34	-	-	30,027.82
Lease liabilities	-	-	72.84	-	-	112.99
Trade payables	-	-	992.38	-	-	1,070.00
Other financial liabilities	-	-	2,300.79	-	-	2,108.92
Total	**-**	**-**	**35,734.35**	**-**	**-**	**33,319.73**

*Investments in subsidiaries, associate and joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

ii) Risk Management

'The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	"Rolling cash flow forecasts"	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not make any investments in equity shares, except for entities where it exercises control or joint control or significant influence.

'The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

'**Assets under credit risk –** (Rs. in crores)

Credit rating	Particulars	31 March 2025	31 March 2024
A: Low	Loans	3.69	4.35
	Other financial assets	4,807.97	4,766.37
	Bank deposits	43.77	41.51
	Cash and cash equivalents	163.57	60.85
B: Medium	Trade receivables	544.77	496.45
C: High	Trade receivables	1,227.09	1,258.73
	Loans	1.98	2.02
	Other financial assets	114.14	94.68
	Cash and cash equivalents	0.56	0.56

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due in each business segment as follows:

(i) Cellular: Six months past due

(ii) Basic & other services: Three years past due

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

The Company provides for expected credit losses based on the following:

Trade receivables

(i) 'The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default relevant to each business segment based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

(Rs. in crores)

Particulars	31 March 2025		31 March 2024	
	Basic & other services	Cellular	Basic & other services	Cellular
Gross amount of sales	2,151.28	5.32	2,364.70	5.38
Expected loss rate	5.23%	16.57%	5.58%	33.65%
Expected credit loss (loss allowance provision)	112.44	0.88	131.87	1.81
Receivables due from customers where specific default has occurred	864.13	249.64	876.54	248.51

(ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

(Rs. in crores)

Reconciliation of loss allowance	Trade receivables
Loss allowance on 01 April 2023	**(1,195.29)**
Add/ (Less): Changes in loss allowances due to write off/recovery	9.19
Add/ (Less): Changes in loss allowances due to assets originated or purchased	(72.63)
Loss allowance on 31 March 2024	**(1,258.73)**
Add/ (Less): Changes in loss allowances due to write off/recovery	35.30
Add/ (Less): Changes in loss allowances due to assets originated or purchased	(3.66)
Loss allowance on 31 March 2025	**(1,227.09)**

Other financial assets measured at amortised cost

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draws to apply consistently to entire population For such financial assets, the Company's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period: **(Rs. in crores)**

Paritculars	31 March 2025			31 March 2024		
	Total facility	Drawn	Undrawn	Total facility	Drawn	Undrawn
0-1 year	8,886.41	8,886.41	-	7,039.23	6,022.09	1,017.14
1-2 years	198.20	198.20		640.24	640.24	
More than 2 years	200.00	200.00		373.22	373.22	
Total	**9,284.61**	**9,284.61**	**-**	**8,052.69**	**7,035.55**	**1,017.14**

b) 'Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity Companyings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. **(Rs. in crores)**

31 March 2025	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Non-derivatives					
Long term borrowings (including bonds)	4,161.58	4,001.15	3,769.60	28,440.99	40,373.31
Lease liabilities	20.39	19.07	6.52	102.98	148.96
Short term borrowings	6,740.25	-	-	-	6,740.25
Trade payables	992.38	-	-	-	992.38
Other financial liabilities	3,013.02	0.12	157.29	5.43	3,175.85
Total	**14,927.62**	**4,020.34**	**3,933.41**	**28,549.40**	**51,430.76**

(Rs. in crores)

31 March 2024	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Non-derivatives					
Long term borrowings (including bonds)	3,787.49	4,587.67	3,852.06	30,270.47	42,497.69
Lease liabilities	90.33	40.54	13.83	106.32	251.01
Short term borrowings	4,232.86	-	-	-	4,232.86
Trade payables	1,070.00	-	-	-	1,070.00
Other financial liabilities	1,815.70	0.16	0.01	293.06	2,108.92
Total	**10,996.37**	**4,628.36**	**3,865.90**	**30,669.84**	**50,160.47**

C) 'Market Risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

(i) Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs., are as follows: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Financial assets	0.55	0.53
'Financial liabilities	1.12	0.94
Net exposure to foreign currency risk (liabilities)	**(0.57)**	**(0.42)**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
USD sensitivity		
INR/USD- increase by 500 bps (31 March 2024 500 bps)*	(0.03)	(0.02)
INR/USD- decrease by 500 bps (31 March 2024 500 bps)*	0.03	0.02

'*Holding all other variables constant

(ii) Foreign currency risk exposure in EURO:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs., are as follows **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Financial assets	0.20	0.01
Financial liabilities	0.01	0.22
Net exposure to foreign currency risk (liabilities)	**0.19**	**(0.21)**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
EURO sensitivity		
INR/EURO- increase by 500 bps (31 March 2024 500 bps)*	0.01	(0.01)
INR/EURO- decrease by 500s bps (31 March 2024 500 bps)*	(0.01)	0.01

*'*Holding all other variables constant*

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2025 and 31 March 2024, the Company is exposed to changes in interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Variable rate borrowing	9,284.61	7,035.21
Fixed rate borrowing	23,083.73	22,992.61
Total borrowings	**32,368.34**	**30,027.82**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates. **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	(46.42)	(35.18)
Interest rates – decrease by 50 bps basis points	46.42	35.18

**Holding all other variables constant*

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

'The Company does not have any significant investments in equity instruments which create an exposure to price risk.

47 Capital management

The Company' s capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

'The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(Rs. in crores)

Particulars	31 March 2025	31 March 2024
Net debt	32,368.34	30,027.82
Total equity	(26,935.64)	(23,662.80)
Net debt to equity ratio	**(1.20)**	**(1.27)**

The Company has not declared dividend in current year or previous year.

48. Employee benefit obligations **(Rs. in crores)**

Particulars	31 March 2025		31 March 2024	
	Current	Non-current	Current	Non-current
Gratuity	13.65	163.07	15.37	149.34
Compensated absences	22.36	238.39	25.23	221.64
Total	**36.01**	**401.46**	**40.60**	**370.98**

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

For the funded plan, the Company makes contributions to recognised debt base funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected payments. The expected contribution to the plan for next annual reporting period amounts to Rs. 7.54 crores (previous year - Rs. 7.49 crores). The weighted average duration of the defined benefit obligation as at 31 March 2025 is 10 to 11 years (31 March 2024: 10 to 11 years).

A Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Current service cost	6.16	7.14
Interest cost		
Actuarial loss/(gain) recognised during the year	-	-
Expected return on planned assets		
Amount recognised in the statement of profit and loss	**6.16**	**7.14**

(ii) Movement in the liability recognised in the balance sheet is as under: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Present value of defined benefit obligation as at the start of the year	**164.72**	**160.45**
Current service cost	6.16	7.14
Past service cost including curtailment gains/losses	-	-
Interest cost	11.82	11.94
Actuarial loss recognised during the year	15.47	8.48
Benefits paid	(21.44)	(23.29)
Present value of defined benefit obligation as at the end of the year	**176.73**	**164.72**

(iii) Movement in the plan assets recognised in the balance sheet is as under: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Fair value of plan assets at beginning of year	**214.27**	**209.52**
Expected return on plan assets	11.83	15.59
Transfer to/from MTNL	3.95	9.00
Receivable from MTNL	12.01	4.26
Premium redemption reserve	0.36	0.61
Bad debts written back	(48.25)	(0.12)
Actuarial gain on plan assets	(2.38)	(6.75)
Benefits paid	(13.40)	(17.84)
Fair value of plan assets at the end of the year	**178.39**	**214.27**
Actual return on plan assets	9.45	8.84

(iv) 'Breakup of actuarial (gain)/loss: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	6.53	3.51
Actuarial (gain)/loss on arising from experience adjustment	8.93	4.96
Actuarial (gain)/loss on plan assets	2.38	6.75
Total actuarial (gain)/loss	**17.84**	**15.22**

(v) Actuarial assumptions **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Discount rate	6.72%	7.18%
Future basic salary increase	3.50%	3.50%
Future DA increase	4.00%	4.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vi) Sensitivity analysis for gratuity liability **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	176.73	164.72
- Impact due to increase of 0.50 %	(7.08)	(6.65)
- Impact due to decrease of 0.50 %	7.54	7.10
Impact of the change in salary increase		
Present value of obligation at the end of the year	176.73	164.72
- Impact due to increase of 0.50 %	3.00	3.70
- Impact due to decrease of 0.50 %	(3.40)	(4.12)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the

reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

(vii) Maturity profile of defined benefit obligation **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Within next 12 months	13.65	15.37
Between 1-5 years	38.57	36.43
Beyond 5 years	124.51	112.93

(viii) Category of investment in gratuity trust: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Government of India Securities	29.28	29.28
Corporate bonds	45.00	98.13
State government securities	11.95	12.36
Mutual funds/Others	-	1.75
Others	0.06	0.06
LIC	1.27	1.27
Total	**87.56**	**142.85**

B Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of Rs. 37.65 crores (previous year: Rs. 32.02 crores) has been recognised in the statement of profit and loss.

C Defined contribution plans

Contributions are made to the Government Provident Fund and Family Pension Fund which cover all regular employees eligible under applicable Acts. Both the eligible employees and the Company make pre-determined contributions to the Provident Fund. The contributions are normally based upon a proportion of the employee's salary.

The Company has recognized the following amounts in the statement of profit and loss :

Particulars	31 March 2025	31 March 2024
Employer contribution to provident fund*	27.87	29.51
Leave encashment contribution for DoT employees**	0.43	0.54
Pension contribution for DoT employees***	1.02	2.89
Pension contribution for company employees****	11.12	11.62

* Mentioned as contribution to CPF

** Mentioned as leave encashment - Others

*** Mentioned as pension contribution - Others

**** Mentioned as pension contribution - Company employees

D Gratuity and compensated absences is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used IALM (2012-14) Ultimate table for mortality in service and IALM (2012-14) table for mortality in retirement.

E Mortality in service is assumed on the basis of IALM (2012-14) Ultimate table for mortality in service and IALM (2012-14) table.

F The Company has taken an Insurance Policy for medical benefits in respect of its retired and working employees. The Insurance Policy is fully funded by the Company.

49. Related party disclosures

Related parties where control exists:

i Key Management Personnel

Name	Designation
Mr.A Robert J Ravi	CMD from 15 July 2024
Mr. P. K. Purwar	CMD from 15 April 2020 upto 14 July 2024
Mr. Kalyan Sagar Nippani	Director (Technical) from 01 August 2024 and Appointed as Director (HR & EB) from 01 October 2024
Mr. Sandeep Govil	Director (HR & EB) from 01 October 2023 upto 30 Sept 2024
Mr. Rajiv Kumar	Director (Finance) from 02 December 2022
Mr. V. Ramesh	Director (Technical) from 01 April 2022 upto 31 July 2024
Mr. Sunil Kumar Verma	Government Director from 08 November 2024 upto 30 January 2025
Mr. Niraj Verma	Government Director from 15 December 2023 upto 08 November 2024
Mr. Shivendu Gupta	Government Director from 05 Januray 2023

Name	Designation
Mr. Alok Shukla	Government Director from 30 Januray 2025
Mr. Vishwas Pathak	Independent Director from 12 November 2021 upto 01 November 2024
Shri Sarv Daman Bharat	Independent Director from 12 November 2021 upto 01 November 2024
Shri Yogesh Kumar Tamrakar	Independent Director from 12 November 2021 upto 01 November 2024
Ms. Deepika Mahajan	Independent Director from 23 November 2021 upto 01 November 2024
Mr. Piyush Ranjan Nishad	Independent Director from 21 April 2022 upto 23 March 2025
Mr. Sultan Ahmed	Chief Financial Officer (CFO) from 14 February 2023
Mr. Ratan Mani Sumit	Company Secretary from 01 March 2023
Mr. Deepak Mukherjee	Executive Director, Mumbai from 24 January 2021 upto 12 November 2024
Mr. Mukesh Kumar Chauhan	Executive Director, Delhi from 01 June 2022

ii Subsidiaries

Mahanagar Telephone (Mauritius) Limited (MTML)

Millennium Telecom Limited

Step down subsidiaries

MTML International Limited (subsidiary of MTML)

MTML Data Limited (subsidiary of MTML)

iii Joint ventures

MTNL STPI IT Services Limited ('MSISL')

iv Associates

United Telecommunications Limited ('UTL')

v Other related parties

MTNL Leave encashment trust

MTNL Gratuity trust

vi Other government entity

Bharat Sanchar Nigam Limited ('BSNL')#

vii Summary of significant transactions with related parties: **(Rs. in crores)**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Remuneration to Key Managerial Personnel		
- Short-term employee benefits	1.36	1.42
- Post employment benefits	0.01	0.03
- Other long-term employee benefits	0.04	0.03
Amount received from MTML (Dividend)	-	-
Amount received from MSISL (Dividend)	2.85	1.37
Amount received from MTL (Dividend)	0.14	0.14
Claims write off made on MTL	0.48	-

viii Summary of significant outstanding balances with related parties: **(Rs. in crores)**

Particulars	31 March 2025		31 March 2024	
	Advances	Investment in shares	Advances	Investment in shares
Mahanagar Telephone (Mauritius) Limited (MTML)	-	100.97	-	100.97
Millennium Telecom Limited	-	2.88	0.48	2.88
MTNL STPI IT Services Limited ('MSISL')	-	2.28	-	2.28
UTL (Net of Impairment) *	-	-	-	-
LIC of India (Invested through Leave Encashment Trust)	248.13	-	252.63	-
BSNL	# Refer Note 65 for outstanding with BSNL			

ix The Company has certain transactions with respect to sale and purchase of services and receives reimbursement of expenses (vis-a-vis electricity and water charges) in relation to renting of immovable property from BSNL.

50. Details of contingent liabilities, pending litigations and other matters: **(Rs. in crores)**

Particulars		31 March 2025	31 March 2024
a	Income Tax Demands disputed and under appeal ^	283.69	283.69
b	Sales Tax, Service Tax, Excise duty, Municipal Tax Demands Disputed and under Appeal	734.78	529.71
c	(i) Interest to DDA on delayed payments/pending court cases/Tax cases	Amount Indeterminate	Amount Indeterminate
	(ii) Stamp duty payable on land and buildings acquired by the company	Amount Presently Unascertainable	Amount Presently Unascertainable
d	Claims against the company not acknowledged as debts	6,351.35	666.69

Particulars		31 March 2025	31 March 2024
e	Pending arbitration/court cases	2,581.06	2,578.63
f	Bank guarantee & Letter of Credit	107.78	108.00
g	Directory dispute	71.83	66.98
h	Pending court cases against land acquisition	20.85	4.87
i	License fee related contingent liability w.r.t. provisional assessment done by DOT	5,132.24	4,687.02
j	BTS related penalty imposed by DoT	84.87	84.87

51. Capital and other commitments

A Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows: **(Rs. in crores)**

	31 March 2025	31 March 2024
Property, plant and equipment	5.32	5.30
Other Repair & Maintenance	16.71	-

B In respect of incomplete contracts where the expenditure already incurred has exceeded the contract value, the additional expenditure required to complete the same cannot be quantified.

52. Ind AS 116 Leases

The Company has leases for office building, warehouses and related fcilities and cars. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

(a) Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2025
Variable and short-term lease payments	40.48

(b) Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the period

Particulars	31 March 2025
Opening balance	**112.99**
Additions	0.28
Deletions	(0.55)
Accretion of interest	8.88
Payments	(48.76)
Closing balance	**72.84**
Current	**18.43**
Non-current	**54.41**

(c) The Company had total cash outflows for leases of Rs. 89.25 Crores for the period ending 31 March 2025.

(d) Refer note 45 for the maturity profile of lease liability.

(e) Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Towers	1,756	0.01 to 13.85 years	0.70 years	54	-	-
Buildings	36	0.22 to 6.59 years	3.12 years	-	-	21
Leasehold land	49	41.87 to 83.94 years	56.18 years	49	-	49

53 Segment information

The Company is in the business of providing telecommunication services in India and has two reportable segments viz. Basic and Cellular. As per para 4 of Ind AS 108 'Operating Segments", if a financial report contains both the consolidated financial statements as well as the separate financial statements, segment information is required only in the consolidated financial statements.

54. Assets pledged as security

(Rs. in crores)

Particulars	31 March 2025	31 March 2024
Current		
Pari-passu charge		
Inventories	4.95	5.13

Particulars	31 March 2025	31 March 2024
Trade receivables	544.77	496.45
Cash and cash equivalents	163.57	60.85
Other bank balances	0.00	-
Loans	1.58	2.04
Other financial assets	4,307.14	4,498.46
Other currents assets	248.46	245.46
Total current assets pledged as security	**5,270.47**	**5,308.38**
Non-current		
Pari-passu charge		
Apparatus & plant	807.89	869.07
Vehicle	0.52	0.58
Furniture & fixtures	6.82	7.33
Office machinery & equipment	1.53	1.50
Electrical appliances	16.14	15.43
Computers	13.50	13.81
Other Non Current Assets	**1,221.97**	**1,152.41**
Total non-currents assets pledged as security	**2,068.36**	**2,060.14**
Total assets pledged as security	**7,338.84**	**7,368.52**

55. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

(Rs. in crores)

	Particulars	31 March 2025	31 March 2024
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	111.59	72.36
(ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	41.00	34.39
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

The Company is in the process of seeking confirmation from its vendors regarding their status under the Micro, Small and Medium Exterprises Development Act, 2006. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

56.A The Company is covered under Section 135 of the Companies Act, 2013 and accordingly constituted a Corporate Social Responsibility Committee of the Board. However, as the Company did not have average net profits based on the immediately preceding three financial years, the Company is not required to spend amounts towards Corporate Social Responsibility in terms of the 2013 Act.

56.B During the year the Company has made expenditure in foreign currency equivalent to Rs. 0.34 crores (previous year Rs.0.32 crores). Whereas earnings in foreign currency are Rs. 1.30 crores (previous year Rs. 0.12 crores).

57. Revenue from contracts with customers

(i) Disaggregation of revenue:

The Company earns revenue from multiple sources within the telecommunications sector, including but not limited to 'Basic & Other Services' and 'Cellular' services. In accordance with the requirements of Ind AS 115 – Revenue from Contracts with Customers, revenue is disaggregated based on the nature of services and customer categories to reflect how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

The disaggregated revenue for the year is as follows: **(Rs. in crores)**

Description	Year ended 31 March 2025
Revenue from:	
- Fixed telephone income	277.34
- Enterprise business	229.33
- Mobile services	13.91
- Others	108.37
	628.95

Further, revenue is also disaggregated based on the geographical location of operations, primarily comprising Mumbai and Delhi telecom circles.

(ii) Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract liabilities for the contracts with the customers. **(Rs. in crores)**

Particulars	Year ended 31 March 2025
Receivables, which are included in 'Trade and other receivables'	544.77
Contract Liabilities	253.98
Contract Assets	239.54

Changes in contract assets: **(Rs. in crores)**

Description	Year ended 31 March 2025
Contract assets at the beginning of the year	173.92
Add: revenue recognised during the year	461.44
Less: invoices raised during the year	(395.82)
	239.54

Changes in contract liabilities: **(Rs. in crores)**

Description	Year ended 31 March 2025
Contract liabilities at the beginning of the year	344.64
Less: performance obligations satisfied in current year	(261.21)
Add: advance received during the year	170.55
	253.98

(iii) Assets and liabilities related to contracts with customers **(Rs. in crores)**

Description	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Contract assets				
Unbilled receivables	-	239.54	-	173.92
Contract liabilities				
Advance from customers	-	201.74	-	280.86
Deferred income	37.70	9.98	47.70	9.72
Deferred activation/ installation charges	3.55	1.01	5.28	1.08

58. Additional disclosures as per the requirements of Division II of Schedule III to the Act

A. 1. The Company is in possession of multiple immovable properties (38 properties in Delhi & 53 properties in Mumbai amounting to Rs. 76.74 crore) which were either free hold properties with DOT or taken on lease by Department of Telecommunications ('DoT')

prior to incorporation of MTNL. On 30 March 1987, both DoT and MTNL entered into a sale deed for transfer of several movable and immovable assets from DoT to MTNL. The said transfer included both the freehold and leasehold lands and buildings, which are in possession of MTNL since its inception as per the sale deed . These freehold and 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. Accordingly, in the light of above, it is deemed that the immovable properties both whether free hold or under lease, although not in the name of the MTNL and the unregistered sale deed dated 30 March 1987 is deemed execution of all such properties in favor of MTNL by Government and stamp duty payable, if any, will be borne and paid by Government as and when any such occasion arises as per the sale deed.

2. For following properties in Mumbai, acquired by the company after 01-04-1986, the tile deed/lease agreements are not in the name of company and the title is vested with the issuing authority in case of freehold properties and lease agreement is executed on behalf of GOI/P&T/DOT/POI. In respect of Delhi for the properties acquired after 1-4-1986 (38 properties) are deemed to have been registered as conveyed by DDA.

Mumbai Properties

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Plot No. 11. Near Lokha- ndwala, Complex, Akurli Road, Kandivali (E), Mumbai-400 101	Leasehold Land	0.64	MHADA	No	More than 20 years		MHADA Allotment letter is available on records for allotment of land. No sale/ lease deed is available for verification.
Plot -1, MIDC, Taloja, Navi Mumbai-400 218	Leasehold Land	0.02	President of India	No	More than 30 years		Lease Agreement executed by MTNL on behalf of President of India is available on record.

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Panvel Tel Exchange, Plot No.-229B, Panvel, Mumbai	Leasehold Land	--	President of India (P&T)	No	More than 30 years		Permission letter from Panvel Municipal Corporation is available on records. Lease agreement executed between president of india and City and Industrial development corporation of Maharashtra Limited is also available in records.
Juhu Danda Complex, Santa Cruz - West, Mumbai	Freehold Land	--	GOI/P&T	No	More than 20 years		Letter of DOT is available on records for use of plot in favour of MTNL. No sale deed is available for verification.
Bandra Reclamation, Oppo- site Leelavati Hospital, Bandra(W), Mumbai-400 050	Freehold Building	1.10	Bombay Housing and Area Development Board	No	More than 30 years		MHADA Allotment letter is available on records for allotment. No sale deed is available for verification.
Magathane, Borivali(E), HIG Colony, Magathane, Borivali(E), Mumbai-400 066	Freehold Building	0.43	Bombay Housing and Area Development Board	No	More than 30 years		MHADA Allotment letter is available on records for allotment. No sale deed is available for verification
Andheri Tele Exch Bldg OPP. Lalubhai Park by 58	Freehold	0.01	Post and telegraph department	No			

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Andheri Old Tele Exch Bldg CSNO 684 BY 58	Freehold	0.00	President of india	No			
Tele Bhavan Colaba	Leasehold	0.07	President of india	No			
Compensation on Cumbala Hill	Freehold	0.58	President of india (Bombay telephone)	No			
Curry Road CSNO 79(PT) and 82	Freehold	0.39	President of India	No			
Fountain Tele Bldg CSNO 708	Freehold	0.06	Central Post and telegrah	No			
Gamdevi Tele Exchange bldg. by 7	Freehold	0.05	It is in the name of President of India	No			
Malbar Hill Tele Exch AG Bell Marg	Freehold	0.33	President of India	No			
Mandvi Tele Exch MA Road by BY 7 Plot no. to 12	Freehold	0.11	President of India	No			
Matunga Tele Exch Bldg Plot no. 143 Ambedkar Marg by14	Leasehold	0.01	it is in the name of President of INDIA it is under mutation	No			
Mazgaon Tele Bldg Seth Moti Shah Lane by 10	Freehold	0.05	President of India	No			
Parel tele Complex CSNO 85(PT)	Freehold	0.51	President of India	No			
Powai Tele Exch Bldg S.no 103/B1 Vikroli by 83	Freehold	0.00	Government of India	No			

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
PBD Tele Bldg CSNO 90,91 and 105 BY 28	Freehold	0.13	POI In-charge Bombay telephone exchange under mutation	No			
SPK Tele Exchange Bldg Plot No. 709 TPS IV/B by 28	Freehold	0.02	President of India	No			
Sion Tele Exch Bldg Plot No. 105A and 105 by 22	Freehold	0.16	President of India	No			
ST. George Hospital, PLNO.2	Leasehold	0.40	President of India	No			
Ville Parle Tele Exch Bld Fp No. 330,308,309,310 by 57 All Land Cost for land at Vile Parle for Staff Quarters 76	Freehold	0.14	Bombay telephone post & telegraph limited	No			
Wadala Tele Exch. Plot No 40(PT) CS No 236 & 41(PT) By 14	Freehold	0.14	President of India	No			
Wadby Road HS Marg Bombay 1 Possession 30	Freehold	0.01	Central post and telegraph	No			
Worli Tele Exch Bldg CSNO 469, S.No 1624 by 18	Freehold	0.06	President of India (in-charge post master general)	No			
Byculla	Leasehold	--	President of India	No			
Cooperage	Leasehold	--	President of India	No			

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
South Colaba	Leasehold	--	President of India	No			
Naigaon	Freehold	--	Bombay Telephone	No			
Colaba	Leasehold	--	President of India, Bombay telephone	No			
Prabhadevi	Freehold	--	Bombay Telephone	No			
Vashi Sec 15A	Leasehold	--	Bombay Telephone	No			
*Tilak Nagar, Tribhuvan CHS, Sahakar Nagar, Chembur, Mumbai	Leasehold	0.20	Details not available	No			

Delhi Properties

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
CGO Complex Lodhi Road	Leasehold	0.10	DOT	No			L&DO
Jor Bagh	Leasehold	-	DOT	No			Documents not available
Kidwai Bhawan (Janpath)	Leasehold	-	DOT	No			L&DO
Minto Road JLN Marg	Leasehold	0.12	DOT	No			L&DO
Delhi Gate	Leasehold	-	DOT	No			Documents not available
Idgah	Leasehold	0.01	DOT	No			L&DO
Karol Bagh	Leasehold	-	DOT	No			Documents not available
Lothian Road	Leasehold	0.08	DOT	No			(PWD)Delhi Admn.

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Tis Hazari	Leasehold	-	DOT	No			Documents not available
Bhikaiji Cama Place (R. K. Puram)	Leasehold	0.66	DOT	No			DDA
Chankya Puri	Leasehold	0.00	DOT	No			L&DO
Hauz Khas	Leasehold	0.04	DOT	No			DDA
Nehru Place	Leasehold	0.18	DOT	No			DDA
Okhla	Leasehold	0.07	DOT	No			DDA
Laxmi Nagar/ Shahdara South	Leasehold	0.12	DOT	No			DDA
Shahdara/ Adjoining 21 Exch	Leasehold	0.04	DOT	No			DUSIB
Keshav Puram	Leasehold	0.02	DOT	No			DDA
Shakti Nagar	Leasehold	-	DOT	No			Documents not available
Badli	Leasehold	0.01	DOT	No			Directorate of Industries (Delhi Administration)
Rohini Sect 3 Pocket 31	Leasehold	0.15	DOT	No			DDA
Rohini Sect 3 Pocket 4	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 5 Pocket 4	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 5 Pocket 10	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 3	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 6	Leasehold	0.18	DOT	No			DDA
Rohini Sect. 9	Leasehold	0.15	DOT	No			DDA
Paschim Vihar G-17 TE	Leasehold	1.33	DOT	No			DDA
Hari Nagar/ Mayapuri	Leasehold	3.87	DOT	No			DDA

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Rajouri Garden	Leasehold	0.03	DOT	No			MCD
Delhi Cantt	Leasehold	-	DOT	No			Documents not available
Janakpuri	Leasehold	0.07	DOT	No			DDA
Pankha Road Plot I	Leasehold	0.30	DOT	No			DDA
Pankha Road Plot 2	Leasehold	0.10	DOT	No			DDA
Pankha Road Plot 3	Leasehold	-	DOT	No			DDA
Shadipur	Leasehold	0.19	DOT	No			DUSIB
Eastern Court	Leasehold	-	DOT	No			Documents not available
Shahdara	Leasehold	-	DOT	No			Documents not available
Tehkhand	Leasehold	-	DOT	No			Documents not available

3. In Delhi one leasehold properites and in Mumbai Nine freehold and leasehold land properites have been encroached by the various persons in respect of which matter is either pending in court or perusing with the various authorities for clearing the encroachment.
4. In Mumbai, the title deed of 3 properties are not traceable. Efforts are being made to trace the property tiltle deeds.
5. The company does not hold any benami property nor has it entered into any benami transactions during the financial year. Accordingly, no proceedings have been initiated or are pending against the company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

B. The Company had transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of the Company	Nature of transactions with struck company	Balance outstanding	Relationship with struck off company
Godrej & Boyce	Trade payables	0.07	Vendor

59. Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	0.41	0.55	-26.10%	Note B below
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	-1.20	-1.27	-5.30%	Note A below
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest [Profit/loss after tax + Depreciation and amortisation expense + Finance costs]	Interest expense + Principal repayment of long-term debt	0.06	0.01	840.52%	Note C below
Return on equity ratio	Percentage	Profit after tax	Average of total equity	-13.14%	-14.84%	-11.47%	Note A below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	1.21	1.36	-11.08%	Note A below
Trade payables turnover ratio	Times	Purchases + other expenses	Average trade payables	0.38	0.54	-29.56%	Note D below
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	-0.08	-0.17	-51.27%	Note B below
Net profit ratio	Percentage	Profit after tax	Revenue from operations	-528.42%	-453.30%	16.57%	Note A below
Return on capital employed	Percentage	Earnings before depreciation and amortisation, interest and tax = Profit/loss before tax + Depreciation and amortisation expense + Finance costs	Capital employed [Total assets - Current liabilities + Current borrowings]	3.20%	0.62%	419.04%	Note B below
Return on investment	Percentage	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	-256.64%	-254.99%	0.65%	Note A below

Notes:

A Since the change in ratio is less than 25%, no explanation is required to be furnished.

B The variation is because the revenue from operation has declined significantly due to disconnections and the working capital employeed has increased considering the lower cash inflows.

C The variation is because the revenue from operation has declined significantly due to disconnections, resultant increase in losses and increase in borrwings & interest cost.

D Due to delay in payment to trade payable and reduction in expenditure related to trade payables.

E As the principal activities of the company are in the nature of services, so Inventory Turnover ratio is not relevant.

60. Certain Lands and Buildings capitalized in the books are pending registration/legal vesting in the name of the company and the landed properties acquired from DOT have not been transferred in the name of the company and in the case of leasehold lands. Stamp Duty on the lands and buildings acquired from DOT is payable by DOT as per sale deed and in respect of properties acquired after 01 April 1986, the documentation shall be contemplated at the time of sale or disposal as and when effected. 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.

61. Department of Telecommunications (DOT) vide letter No. P-11014/19/2008-PP(Pt.I) dt. 28/12/2012 has levied One Time Spectrum Charges (OTSC) for the GSM and CDMA spectrum on MTNL. The charges also include the spectrum given on trial basis to the extent of 4.4 MHz in 1800 MHz frequency. For the period from 01/07/2008 to 31/12/2012, initial 6.2 MHz spectrum was kept free and for the period from 01/01/2013 onwards, initial 4.4 MHz spectrum has been kept free. The calculations are further subject to change in accordance with the changes in the quantum of spectrum held by MTNL and the remaining valid period of license as per DOT. MTNL has surrendered 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. DOT has been apprised of the same and the matter is still under consideration. Apart from this, the issue of charges for spectrum given on trial basis is also to be decided. Further MTNL has finally surrendered CDMA spectrum w.e.f. 28 February 2016. DOT has demanded an amount of Rs. 3,205.71 crores from MTNL on account of OTSC.

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 DOT 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 if any. Pending final outcome of the issue which itself is sub judice and non finality of quantum of charges payable, if at all, to DOT, no provision is made in the books of accounts as the

amount is totally indeterminable. However the contingent liability of Rs. 3,205.71 crores is shown on the basis of the demand raised by DOT in respect of GSM which is very old and not insisted till date. As per industry related issue in litigation and TDSAT judgment there upon the estimated liability could not be more than Rs. 455.15 crore. As there is no further demand after the demand of Rs. 3,205.71 crores dated 08 January 2013 till now, the contingent liablity aslo, if the same fructified, can not be more than Rs. 455.15 crore. As such the same is disclosed accordingly.

62. Certain claims in respect of damaged/lost fixed assets and inventory has been lodged with Insurance Companies by MTNL but the settlement of the claims is pending. Final adjustment in respect of difference between amount claimed and assets withdrawn will be made in the year of settlement of claim.

63. The Company had claimed benefit under section 80IA of the Income Tax Act, 1961 for the financial year from 1996-97 to 2005-06. The appellate authorities have allowed the claim to the extent of 75% of the amount claimed. The Company has preferred appeals for the remaining claim before the Hon'ble High Court of Delhi. The Company has retained the provision of Rs. 375.96 crores (previous year Rs. 375.96 crores) for this claim for the assessment years 1998-99, 1999-00 and 2000-2001, however, the demands on this account amounting to Rs. 243.22 crores (previous year Rs. 243.22 crores) for the assessment years 2001-02 to 2006-07 have been shown as contingent reserve to meet the contingency that may arise out of disallowances of claim of benefit u/s 80IA of Income Tax Act, 1961.

64. Litigations

a) In the matter of settlement of bonds with Canara Bank and Canfina in earlier year, the arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against the company for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs.0. 93 Crores was awarded as costs. MTNL filed OMP (COMM) No.312 of 2022 before Hon'ble Delhi High Court to set aside the Award along with an IA No.14319 of 2022 seeking unconditional stay on the operation of said award. Further, Canara Bank and Canfina also filed applications (Canara Bank's- OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO.155 of 2022) for the enforcement of said award dated 03.03.2022. The company submitted the title deed of one of the properties as security before the Hon'ble Delhi High Court in terms of an order dated 10.05.2024. The next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Bank's OMP and Canfina OMP is proposed on 23.07.2025. The amount of award along with interest to be the tune of Rs 463.01 crores therefore has been disclosed as contingent liability.

b) MTNL entered into contracts with M/s. M & N Publications Limited for printing, publishing and supply of telephone directories for Delhi and Mumbai unit for a period of 5 years starting from 1993. After printing and issue of 1993 (main & supplementary) and 1994 main directory, M/s. M & N Publications Ltd terminated the contract prematurely on 04 April 1996. MTNL, Mumbai & Delhi invoked Bank Guarantees on

09 April 1996, issued Legal Notice on 22 July 1996 and terminated the contract. Sole Arbitrator has been appointed by CMD, MTNL. The Sole Arbitrator has since given his award on 09 April 2013 partly in favour of MTNL, Mumbai and on 31 July 2013 in favour of MTNL, Delhi. The claim and counter claim under arbitration will be accounted for in the year when the ultimate collection/payment of the same becomes reasonably certain. M/s. M & N Publications has approached the Bombay & Delhi High Courts against the arbitration awards and MTNL also approached the Bombay & Delhi High Courts for balance amount due. The claim of Rs. 68.92 crores on this account has been shown as contingent liability in Delhi unit.

c) As per directions of the Hon'ble Delhi High Court one UASL operator had paid to MTNL, Mumbai Rs. 124.93 crores and Rs. 33.99 crores in 2004-05 and 2005-06 respectively against the claim of Rs. 158.92 crores. The Company has recognised the amount realized as revenue in the respective period. The UASL operator approached the Hon'ble TDSAT for rate discrepancies. The Hon'ble TDSAT has ordered for refund of Rs. 96.71 crores. MTNL has filed a Civil Appeal and application for stay of operation of the order of TDSAT in the Hon'ble Supreme Court of India in which Supreme Court directed on 08 May 2014 that TDSAT will review the impugned order on seeking of it by appellant. MTNL filed review application which had been disposed off by Hon'ble TDSAT vide order dated 27 May 2014 on which MTNL filed CWP no.022764 dated 16 July 2014 in Hon'ble Supreme Court and the same is pending. Meanwhile UASL operator also filed appeal in Hon'ble Supreme Court. The claim of Rs. 96.71 crores on this account has been shown as contingent liability.

d) MTNL Mumbai has received claims from M/s. BEST, Electricity supply provider categorizing MTNL at Commercial tariff instead of Industrial tariff. The claim has been made with retrospective effect for the period Feb-2007 to May-2009 in respect of HT connection and Jan-2002 to Apr-2011 in respect of LT connection. MTNL has represented to BEST for reconsideration which has not been accepted by BEST. Hence MTNL has approached Hon'ble Mumbai High Court and got a stay on the arrears claimed by BEST amounting to Rs. 20.82 crores. In the opinion of the management, there is remote possibility of the case being settled against MTNL.

e) In respect of Mobile Services Delhi, a sum of Rs. 25.78 crores claimed by TCL towards ILD charges for the period Oct-09 to March-10 has not been paid due to heavy spurt in ILD traffic towards M/S TCL. On technical analysis it was found that these calls were made to some dubious and tiny destination. These destinations do not confirm to international numbering plan of the respective countries and are not approved destinations as per approved interconnect agreement. Further these calls have not got physically terminated to the destinations. The observations were shared with M/S TCL. M/S TCL has also been advised that the balance, which relates to fraudulent calls, is not payable and accordingly no provision has been made in the books of accounts. The matter was handed over to the committee for investigation. Subsequently M/S TCL filed a case in Hon'ble TDSAT for recovery of the amount, decision for which is awaited. The claim of Rs. 25.78 crores on this account has been shown as contingent liability.

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management perceives that these legal actions, when ultimately concluded and determined, will not have any material impact on the Company's financial statements.

65. Settlements with BSNL:

The amount recoverable from BSNL is Rs. 5,753.90 crores and the amount payable is Rs.2,188.86 crores. The net recoverable of Rs. 3,565.04 crores is subject to reconciliation and confirmation.

66. Subscribers' dues and deposits:

Other current liabilities include credits on account of receipts including service tax/GST from subscribers amounting to Rs. 77.29 crores (previous year Rs.86.63 crores), which could not be matched with corresponding debtors or identified as liability, as the case may be. Appropriate adjustments/ payments shall be made inclusive of service tax/GST, when these credits are matched or reconciled. Therefore, it could not be adjusted against making provision for doubtful debts.

67. The amounts of receivables and payables (including NLD / ILD Roaming operators) are subject to confirmation and reconciliation. The recoverable and payable from operators are under constant review and regular efforts are being taken for reconciliation and recovery of old outstanding dues. 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.

68. The matching of billing for roaming receivables / payables with the actual traffic intimated by the MACH is being done. Further the roaming income is booked on the basis of actual invoices raised by MACH on behalf of MTNL. Similarly the roaming expenditure is booked on the basis of actual invoices received by MTNL from MACH on behalf of the other operators. However, regarding collection, the payment is directly received in the bank from other operators for varying periods.

In MTNL Delhi unit, the collections received from the operators are matched in totality against the bills. The allocation of collection to individual operator's account is pending in the absence of detailed information which is being sought. Therefore although the roaming income and expenditure are booked on actual basis, the roaming debtors are reconciled in totality in the absence of detailed information and such reconciliation is being done on regular basis.

69. In case of Mumbai Unit, the balances with non-scheduled banks comprise of: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Indira Sahakari Bank Limited	0.56	0.56
(account closed, considered doubtful)	(0.56)	(0.56)

70. Settlements with DoT:

a) Amount recoverable from DoT is Rs. 667.31 crores and amount payable is Rs.434.55 crores. The net recoverable of Rs. 232.76 crores is subject to reconciliation and confirmation. LF/SUC dues payable to DOT Rs. 571.87 crores is shown under statutory dues. There is no agreement between the MTNL and DoT for interest recoverable/ payable on current account. Accordingly, no provision has been made for interest payable/receivable on balances during the year.

b) Deposits from applicants and subscribers as on 31 March 1986 were Rs. 81.32 crores (previous year Rs. 81.32 crores) in Mumbai unit as intimated provisionally by DoT. At the year end, these deposits amounted to Rs. 103.28 crores (previous year Rs. 103.28 crores), the difference being attributable to connections/refunds granted in respect of deposits received prior to 31 March 1986. Balance on this account still recoverable from DoT is Rs. 43.49 crores (previous year Rs. 55.85 crores).

c) The total provision for Leave encashment is Rs. 260.75 crores up to 31 March 2025 (previous year Rs. 246.87 crores). Out of this, an amount of Rs. 45.49 crores (previous year Rs. 45.49 crores) and Rs. 43.37 crores (previous year Rs. 43.37 crores) is recoverable from DOT in respect of Company C & D and Company B employees respectively for the period prior to their absorption in MTNL.

d) An amount of Rs.6.52 crores (previous year Rs. 6.52 crores) towards GPF contribution is recoverable from DOT as on 31 March 2025. The amount pertains to Company C& D and Company B employees absorbed in MTNL w.e.f. 01 November 1998 and 01 October 2000 respectively.

71. As per gazette notification no.GSR 138(E) dated 3rd March 2014 pensionary benefits in respect of absorbed combined service pension optees are being paid by the Government of India on BSNL pay scales. Gratuity provision for other than combined service pension optee employees of MTNL, and Leave Encashment provision for all of the employees of MTNL has been made on the basis of actuarial valuation.

72. There is no indication of any impairment of assets of the Company, on the basis of the company as a whole as a CGU under Indian Accounting Standards - 36 "Impairment of assets" as specified under Section 133 of the Companies Act, 2013.

73. As per the accounting policy, Bonus/ Exgratia is paid based on the productivity linked parameters and it is to be provided accordingly subject to the profitability of the Company. In view of losses, no provision for Bonus/ Exgratia has been made during the year.

74. On reconciliation of roaming invoices with BSNL as agreed in the current year an amount of Rs. 15.30 Cr of revenue is reversed in Delhi unit in Cellular Segment.

75. There is no amount which is required to be transferred to Investor Education and Protection Fund by the Company.

76. The Company has no foreseeable losses, which requires provision under applicable laws or accounting standards on long-term contracts and not dealing into derivative contracts at all.

77. The Bank Reconciliation Statements as at 31 March 2025 include unmatched/unlinked credits amounting to Rs. 4.25 crore (previous year Rs. 2.03 crore) and unmatched/unlinked debits Rs. 0.13 crore (previous year Rs. 2.21 crore) respectively. Reconciliation and follow up with the bank to match/rectify the same is in process.

78. The Company has incurred a loss of Rs. 3323.51 crores during the period under report. The company has been incurring continuous losses since year 2009-10 (except in FY 2013-14) and the net worth has been fully eroded for the year under report. Considering the continuous losses and negative net worth, the management has made an assessment of its ability to continue as a going concern. In pursuance DoT letter No. F. No. 30- 04/2019-PSU Affairs dated 29th October, 2019 and decision of Board of Directors of MTNL through circular regulation on 04th November 2019, the MTNL Voluntary Retirement Scheme was introduced with effect from 04th November 2019 under which 14,387 number of MTNL employees of all grades opted and granted VRS to reduce the legacy staff costs inherited on account of absorption of employees recruited under government w.e.f. 01.11.1998 and also on 01.10.2000 and the expenditure of ex-gratia on account of compensation was borne by the DOT/Government of India through budgetary supports as per approval of cabinet. The company therefore reduced the staff expenses by more than 75 % which helped the company to reduce its costs and also thereby losses since 2019-20 onwards. Besides, the Government approved the monetization of the lands and buildings of the company with assistance from DIPAM in order the get rid of the huge debt burden on the company. The monetization of land and buildings of the company is in process.

In addition to this, Government approved providing 4G license to BSNL and an infusion of fresh capital by the Government in lieu of granting 4G license. As per the deliberations, the maintenance and running of MTNL wireless network has also been taken over by BSNL from 01.04.2021 (in the case of Delhi) and from 01.09.2021 (in the case of Mumbai) onwards to improve the quality of services and also the launching of 4G services of MTNL as and when BSNL launches which also is likely to stabilize the revenue streams.

Besides as per F.NO.20-28/2022-PR dated 2nd August, 2022, DOT conveyed the decisions of the Union Cabinet in its meeting held on 27.07.2022 for the raising of Sovereign Guarantee backed bonds for MTNL with a tenure of 10 years for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high-cost debt and restructure it with new sustainable loan which has been raised Rs. 10,910 Crs. & Rs 6,661/- during the year 2022-23 & 2023-24 respectively. The company will be able to manage the payment of interest due on Sovereign Guarantee backed bonds with the support of Government of India in the form of soft loan of Rs 1151 crore during the year. Also, in view of such unsustainable debts of MTNL, a committee of Secretaries was constituted by the Govt. to examine matters such as asset monetization, AGR dues, debt restructuring etc. for further course of action for the merger of MTNL & BSNL. The government also allocated budgetary support of Rs. 1851 crores for network up gradation of MTNL by BSNL as a precursor to operational integration. Also, BSNL has to provide all telecom services in Delhi & Mumbai through leasing of operational assets or other appropriate models.

Further during the year, pursuant to the service agreement(SLA) entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company. For the issue of mounting debts as well as other to be referred to Committee of Secretaries and same are at present under review and before COS recommend way forward in case of MTNL, the case for further support to MTNL to manage its working capital is being contemplated. Towards implementation of the SLA, certain customers in Delhi & Mumbai have been migrated to BSNL w.e.f. 01.01.2025 and revenue thereof is not being recognised by MTNL. Necessary guidelines/procedure for execution of the SLA are yet to be framed.

All of the above aspects are considered by the management while preparing the financial statements and an assessment of its ability to continue as a going concern is made accordingly as required in SA (570) and Para 25 & 26 of Ind AS 1 "Presentation of Financial Statements' the company is continuously having support of Govt. in managing its issues.

79. The amount recoverable from Reliance Communication Ltd. is Rs. 79.88 crores and amount payable to Reliance Infratel Ltd. is Rs. 7.03 crores. The companies are under insolvency proceedings before Hon'ble NCLT under IBC, 2016. The provision/write-off against the outstanding dues will be considered on final decision in this matter.

80. The GPF Trust is currently in the process of reconciling and recomputing its liabilities to determine the provident funds payable to employees. The adjustments, if any, resulting from this recomputation/reconciliation will be recognized in the financial statements in the year the reconciliation is finalized.

81. Revenue from operations includes an amount to Rs.7.17 crores booked on provisional basis due to technical glitch in the billing software in Delhi and Mumbai. The final impact of the same will be accounted for once the billing is done through the system.

82. The company has booked the liability towards the Sovereign Guarantee fee of Rs 282.76 Crore payable to Government of India("GOI") in the respective years (i.e.F.Y. 2022-23, 2023-24 & 2024-25) and paid the respective GST thereon under RCM. However, due to financial distress, the company was not able to make payment to DOT and requested DoT vide its letter dated 20.09.2024 that the pending liability of Rs 282.76 Crore on account of Sovereign Guarantee Fees, forthcoming Sovereign Guarantee fee liability in upcoming years, corresponding penal guarantee fee and GST there on shall be settled through equity infusion by the GoI. Since, the matter is under consideration of DoT for equity infusion along with penal Sovereign Guarantee Fee, the amount will be measured and accounting will be addressed accordingly at the later stage as per the decision of GoI.

83. License fee on the Adjusted Gross Revenue (AGR) was calculated and accounted for on accrual basis in respect of both revenue and revenue sharing with other operators till F.Y. 2011-12. As per the directions of Supreme Court given earlier in respect of calculation of License Fees and AGR, the matter was referred back to TDSAT. TDSAT vide its judgment

dated 23.04.2015 set aside the impugned demands of DOT and DOT was directed to rework the license fee in the light of their findings. However, MTNL is not a party to the dispute and the AGR is calculated as per License Agreement.

The issue of deduction claimed in AGR upto F.Y. 2011-12 in respect of revenue sharing on netting basis with BSNL has been taken up with DOT and BSNL while paying License Fees on actual payment basis from 2012-13 onwards. The impact of Rs. 140.36 crores on this account upto the year 2011-12 has been included in contingent liability. DOT has assessed the LF calculated on the basis of AGR of MTNL. 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. 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. Further, DOT has disallowed certain deductions claimed in the AGR e.g. PSTN charges, IUC payment to other operators etc. The deductions claimed in AGR were disallowed for want of documents from MTNL. MTNL has submitted the documents and the revision of assessment of LF is pending at the end of DOT. The provision assessment order of LF from 2006-07 to 2023-24 and SUC from 2011-12 to 2023-24 issued by DOT shows demand of Rs. 5132.24 crores. The assessment is under revision in view of documents submitted by MTNL to CCA/ DOT. However an amount of Rs. 5132.24 crores is shown as contingent liability.

In respect of this Hon'ble Supreme Court judgement and final order dated 24.10.2019 disposing the AGR matter, it is submitted that MTNL was neither a party to Supreme Court case nor MTNL violated the AGR definition as per License Agreement. The same is also pointed out in supreme court judgement dt. 24/10/2019 that MTNL is not party to the litigation. MTNL is following the same definition of AGR as is given in license fee agreements. MTNL is calculating the LF/SUC accordingly since the inception of AGR based LF & SUC. MTNL's accounts are also verified by C&AG and all the LF related entries/ adjustments are verified with AGR statements submitted to CCA. Therefore, the Supreme Court's judgement on AGR is not applicable for MTNL.

DoT has sent a demand note for additional 1.4 MHz of reserved spectrum in 900 MHz Band in Mumbai and Delhi LSAs vide No. 1000/1/2023-WF dt. 27-01-2025 for Rs. 1155 crores. The additional 1.4 MHz spectrum allotted to MTNL is not utilized by MTNL and MTNL is requesting DoT for withdrawal of demand note no 1000/1/2023-WF dt. 27-01-2025 for Rs. 1155 crores.

Further a demand letter No. 1000/01/2023-WF dt 23/03/2023 for Rs. 4252.83 crore is also attached with the above demand in respect of spectrum allotment in the 900 MHz and 1800 MHz. The allotment of the captioned 5 MHz spectrum in 900/1800 Mhz band is made as per

the OM No F.No. 20-28/2022-PR dated 02/08/2022. As per OM No F.No. 20-28/2022-PR dated 02/08/2022, the allotment of spectrum was decided to be given with budgetary support as equity infusion and the cost on pro-rata basis will be settled for spectrum held by MTNL till date of spectrum allotment to BSNL. However, the spectrum was regularized without budgetary support to MTNL or charging part demand and MTNL is requesting DoT for revision of demand note in accordance with OM dt. 02/08/2022. As the regularisation of 2G spectrum as well as demand of Rs 4252.83 crors is not as per OM issued w r t revival of MTNL /BSNL, the matter is being raised with DOT for withdraw of demand.

In view of above the demands are shown as contingent liability. the list of LF related contingent liability is shown hereafter.

MTNL Corporate Office
Detail of LF Contingent Liability of Licence Fee payable to DOT

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
1	17-90/2005/LF	31-Jul-12	2006-07	9.09
2	17-14/2013/LF	12-May-14	2007-08	214.24
3	17-14/2012/LF	3-Dec-12	2007-08	136.36
4	17-14/2013/LF	12-May-14	2008-09	146.71
5	17-14/2013/LF	12-Mar-13	2008-09	22.52
6	17-18/2013/LF	16-Jun-14	2009-10	144.26
7	17-18/2013/LF	19-Mar-13	2009-10	20.29
8	17-34/2013/LF	24-Jul-14	2010-11	40.94
9	17-19/2016/LFA	3-Oct-16	2011-12	76.29
10	17-34/2013/LF II	20-Dec-16	2010-11	124.34
11	17-34/2013/LF II	20-Dec-16	2010-11	0.86
12	17-20/2016/LFA	27-Dec-16	2012-13	26.60
13	17-19/2016/LFA	6-Jan-17	2011-12	12.93
14	17-19/2016/LFA	6-Mar-17	2011-12	33.50
15	17-19/2016/LFA	6-Mar-17	2011-12	(0.00)
16	17-20/2016/LFA	27-Apr-17	2012-13	5.70
17	17-20/2016/LFA	27-Apr-17	2012-13	0.34
18	17-20/2016/LFA	28-Apr-17	2012-13	0.78
19	17-20/2016/LFA	20-Jul-17	2012-13	1.90
20	17-20/2016/LFA	20-Jul-17	2012-13	0.34
21	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	54.47
22	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	28.89

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
23	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	0.16
24	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	0.05
25	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	80.75
26	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	20.26
27	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	0.01
28	17-7/2017/LFA/MTNL	22-May-19	2014-15	197.66
29	17-7/2017/LFA/MTNL	22-May-19	2014-15	127.74
30	17-7/2017/LFA/MTNL	22-May-19	2014-15	5.80
31	17-7/2017/LFA/MTNL	22-May-19	2014-15	0.09
32	17-7/2017/LFA/MTNL	22-May-19	2014-15	337.08
33	17-7/2017/LFA/MTNL	22-May-19	2014-15	64.96
34	17-7/2017/LFA/MTNL	22-May-19	2014-15	7.16
35	17-43/2019/LFA/MTNL	28-May-19	2015-16	147.29
36	17-43/2019/LFA/MTNL	28-May-19	2015-16	134.41
37	17-43/2019/LFA/MTNL	28-May-19	2015-16	0.73
38	17-43/2019/LFA/MTNL	28-May-19	2015-16	0.06
39	17-43/2019/LFA/MTNL	28-May-19	2015-16	226.75
40	17-43/2019/LFA/MTNL	28-May-19	2015-16	77.51
41	17-43/2019/LFA/MTNL	28-May-19	2015-16	0.52
42	17-50/2019/LFA/MTNL	31-May-23	2016-17	225.74
43	17-50/2019/LFA/MTNL	7-Oct-24	2016-17	147.42
44	17-50/2019/LFA/MTNL	31-May-23	2016-17	87.11
45	17-50/2019/LFA/MTNL	31-May-23	2016-17	284.83
46	17-50/2019/LFA/MTNL	31-May-23	2016-17	61.74
47	17-50/2019/LFA/MTNL	31-May-23	2016-17	122.44
48	17-50/2019/LFA/MTNL	31-May-23	2016-17	0.18
49	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	-
50	17-51/LFA/2019/MTNL	7-Oct-24	2017-18	30.99
51	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	46.84
52	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	-
53	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	8.88
54	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	82.14

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
55	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	0.01
56	17-51/LFA/2019/MTNL	22-May-24	2018-19	0.91
57	17-52/LFA/2019/MTNL	10-Oct-24	2018-19	0.19
58	17-51/LFA/2019/MTNL	22-May-24	2018-19	44.30
59	17-51/LFA/2019/MTNL	22-May-24	2018-19	2.04
60	17-52/LFA/2019/MTNL	10-Oct-24	2018-19	5.18
61	17-51/LFA/2019/MTNL	22-May-24	2018-19	64.62
62	17-51/LFA/2019/MTNL	22-May-24	2018-19	0.00
63	17-53/LFA/2019/MTNL	10-Oct-24	2019-20	142.52
64	17-53/LFA/2019/MTNL	22-May-24	2019-20	115.20
65	17-53/LFA/2019/MTNL	22-May-24	2019-20	0.04
66	17-53/LFA/2019/MTNL	22-May-24	2019-20	47.07
67	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	57.74
68	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	28.52
69	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	56.63
70	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	0.02
71	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	14.96
72	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	6.25
73	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	4.52
74	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	0.00
75	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	8.07
76	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	2.64
77	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	(0.88)
78	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	0.00
79	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	6.21
80	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	2.10
81	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	-
82	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	0.00
83	1-9/CCA/Rev/Spectrum/Assmt/ MTNL/2008-09/3631	1-Jul-24	2008-09	123.73
84	1-9/CCA/Rev/Spectrum/Assmt/ MTNL/2009-10/3628	1-Jul-24	2009-10	145.80

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
85	1-9/CCA/Rev/Spectrum/Assmt/MTNL/2010-11/3675	9-Jul-24	2010-11	116.93
86	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2011-12	0.09
87	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2011-12	62.47
88	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2012-13	0.09
89	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2012-13	17.71
90	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2013-14	0.04
91	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2013-14	1.33
92	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2014-15	0.09
93	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2014-15	113.79
94	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2015-16	21.76
95	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2015-16	65.19
96	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2016-17	53.65
97	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2017-18	(1.52)
98	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2018-19,2019-20&2020-21/11915-171864	17-Apr-23	2018-19	13.15
99	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2018-19,2019-20&2020-21/11915-171864	17-Apr-23	2019-20	(1.63)
100	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2018-19,2019-20&2020-21/11915-171864	17-Apr-23	2020-21	2.29
101	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2021-22/12325-27	19-Jul-23	2021-22	0.06

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
102	1-9/CCA-DL/Rev/SUC/MTNL/2022-23/3031	12-Apr-24	2022-23	(2.67)
103	1-9/CCA-DL/Rev/SUC/MTNL/2023-24/2285	3-Apr-25	2023-24	(0.89)
104	CCA/MUM/Comm/Spectrum/23	8-Nov-19	2010-11	51.09
105	CCA/MUM/Comm/Spectrum/	8-Nov-19	2011-12	45.65
106	CCA/MUM/Comm/Spectrum/	8-Nov-19	2012-13	27.28
107	CCA/MUM/Comm/Spectrum/62	13-Nov-19	2013-14	0.17
108	CCA/MUM/Comm/Spectrum/64	13-Nov-19	2014-15	7.99
109	CCA/MUM/Comm/Spectrum/	13-Nov-19	2015-16	0.10
110	CCA/MUM/Comm/Spectrum/	13-Nov-19	2016-17	30.96
111	CCA/MUM/Comm/Spectrum/	22-Aug-19	2017-18	-
	Total			**5,132.24**

For and on behalf of the Board of Directors

		Sd/-	Sd/-
For O P Bagla & Co LLP	**For S.L.Chhajed & Co. LLP**	**(A. Robert J. Ravi)**	**(Rajiv Kumar)**
Chartered Accountants	Chartered Accountants	Chairman and Managing Director	Director (Finance)
FRN No. 00018N/N500091	FRN No. 000709C/C400277	DIN 10095013	DIN 09811051
Sd/-	Sd/-	Sd/-	Sd/-
(CA Nitin Jain)	**(CA Vijit Baidmutha)**	**(Anirudh Prasad Singh)**	**(Ratan Mani Sumit)**
Partner	Partner	Chief Financial Officer	Company Secretary
Membership No. 510841	Membership No. 406044		Membership No. 15193

Place: New Delhi
Date: 28 May 2025

O P Bagla & Co LLP
501, 5th floor, B-225
Okhla Industrial Area,
Phase- 1, New Delhi 110020

S.L. Chhajed & Co. LLP
D1, B-38 D, Janakpuri,
West Delhi
New Delhi – 110058

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mahanagar Telephone Nigam Limited
Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of MAHANAGAR TELEPHONE NIGAM LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures and associates which comprise the Balance Sheet as at March 31st, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for Qualified Opinion Section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate companies and joint ventures as at March 31st, 2025, of consolidated total comprehensive loss (comprising of loss and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate companies and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these

requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Financial Statements.

(i) The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the year ended March 31st, 2025 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the year under review the Company has also defaulted in repayment of certain installments of term loan amounting to Rs. 1635.36 crores and interest on term loan amounting to Rs.213.60 crores.

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

These conditions cast significant doubt on ability of the company to continue as going concern. However, the consolidated financial statement of the Company has been prepared on a going concern basis keeping in view that the Government of India is holding majority of the shareholding and the below-mentioned initiatives taken by the GOI.

Further, Union Cabinet has approved a revival plan involving employee cost reduction, administrative spectrum allotment for 4G, debt restructuring through sovereign-guaranteed bonds, asset monetization, and in-principal approval for merger with BSNL. Further, the Company had implemented the Voluntary Retirement Scheme in FY 2019-20 and also raised funds by issuing Bonds for Rs 6,500 crore in FY 2020-21 in line with the cabinet note.

The Union Cabinet further approved the issuance of Sovereign Guaranteed Bonds for MTNL for 10 years or more for an amount of Rs. 17,751 Crores, with waiver of guarantee fee.

During the year ended March 31st, 2023, the Company has raised Rs. 10,910.00 Crore and Rs. 6,660.99 Crores raised during year ended March 31st, 2024. (refer note no. 78 to the consolidated financial statements).

Further, a Committee of Secretaries (COS) was constituted by Government of India for reviewing measures for further resolution, including debt restructuring, asset monetization and AGR dues.

Pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company.

In this regard, we have been informed that certain consumers in Delhi & Mumbai have been migrated to BSNL w.e.f. 01.01.2025 of which revenue has not been recognized by MTNL, amount of which is not ascertained and quantified. Consequently, there is a gap in revenue matching as the expenses of such revenue are borne by MTNL.

(ii) **Dues to/Receivable from Bharat Sanchar Nigam Limited (BSNL):**

a) The Company has outstanding receivables and payables with BSNL, with a net recoverable amount of Rs. 3,565.04 crores, which remains unreconciled and unconfirmed. Due to pending disputes and lack of confirmation, the recoverability and accuracy of these balances, their impact on the consolidated financial results for the year ended March 31, 2025, cannot be determined.

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 overstatement of Current Assets and understatement of loss to that extent.

(iii) The Company has net recoverable balances of Rs. 232.76 crores with the Department of Telecommunication (DOT), which remain unreconciled and unconfirmed. Accordingly, we are unable to comment on the accuracy of these balances or their impact on the consolidated financial statements for the year ended March 31, 2025. (Also refer point no. (a) of note no. 74 to the consolidated financial statements).

(iv) The Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 197.87 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the correctness of the outstanding balance as above and resultant impact on consolidated financial statements of the Company.

(v) Up to the financial year 2011-12, License Fee payable to the DOT on IUC charges to BSNL was worked out on an 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 the financial year 2012-13 onwards, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. (Refer note no. 87 to the consolidated financial statements).

(vi) Apart from impairment losses previously recognized for CDMA assets, no further impairment has been accounted for under Ind AS 36 during the year ended March 31, 2025. Due to uncertainties in achieving the Company's future projections, we are unable to determine the adequacy of impairment provisions and their impact on the current year's loss, other equity, and the carrying value of cash- generating units. (Refer note no. 76 to the consolidated 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 other parties and amount payable to trade payables, claim payable to operators, and amount payable to other parties.

Accordingly, amounts receivable from and payable to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliation, the impact thereof on the consolidated financial statements are not ascertainable and quantifiable. (Refer note no.71 to the consolidated financial statements).

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

(ix) Unlinked credit of Rs.77.29 Crore 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 consolidated financial statements are not ascertainable and quantifiable. (Also refer note no. 70 to the Consolidated Financial Statements).

(x) Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by the finance department in respect of bought out capital items or inventory issued from the Stores. Due to 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 statements by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.

(xi) The Department of Telecommunication (DOT) raised a demand of Rs. 3,313.15 crores in 2012–13 towards one-time charges for 2G spectrum for the period of license already lapsed and also for the spectrum given on trial basis. As the matter remains sub judice and the issue of partial spectrum surrender is pending, no liability has been recognized for the same and an amount of Rs.3,205.71 crores has been disclosed as contingent liability till FY 2018-19, although no further demands have been raised by the DOT. Based on TDSAT's directions and management's assessment, the potential liability is now estimated at a maximum of Rs. 455.15 crores and disclosed as a 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 consolidated financial statement of the Company. (Also refer note no. 65 to the consolidated financial statements).

(xii) The company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter in some of the cases. The actual impact of the same on the consolidated financial Statement for the year ended March 31, 2025, has not been ascertained and quantified.

(xiii) 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 statement for the year ended March 31, 2025, has not been ascertained and quantified.

(xiv) The Company is making the provision for interest for late/non-payment to MSME vendors, but such interest is not being paid to the vendors. The interest provision is further subject to deduction of tax under section 194A of Income Tax Act, 1961.The actual impact of the same on the consolidated financial statements for the year ended March 31, 2025, has not been ascertained and quantified.

(xv) The organization has recognized accrued income of Rs. 145.84 crores from BSNL and other parties from the year 2017 to 2025; as billing could not be processed due to a lack of confirmation from the parties or because the agreements with them have expired. However, the organization has not accounted for the GST liability despite the services already being rendered. This results in non- compliance with Section 13 and Section 31 of the CGST Act, 2017.

(xvi) The Company currently recognizes Expected Credit Loss (ECL) only on Trade Receivables and not on other financial assets, specifically claim recoverable. This accounting treatment is not in compliance with Ind AS 109 – Financial Instruments, which mandates that ECL should be recognized on all financial assets measured at amortized cost or at fair value through other comprehensive income, including claim recoverable. The ECL model adopted by the Company requires a comprehensive review to ensure full compliance with Ind AS 109. However, the financial impact of provisioning required under the following balances has not been considered by the Company.

Particulars	**Amount (In Cr.)**
Recoverable from IUC operators	394.00
Recoverable from Others	442.83
Total	**836.83**

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the items stated in the point nos. (i), (ii)(a), (iii), (iv),(v), (vi), (vii),(viii), (ix), (x), (xi) (xii), (xiii), (xiv) (xv) and (xvi) on the consolidated financial statements of the Company for the year ended on March 31, 2025.

Emphasis of Matters:

We draw attention to the following notes on the Consolidated Financial Statements being matters pertaining to Mahanagar Telephone Nigam Limited requiring emphasis by us.

(i) Note no. 9 of consolidated financial statements, The share certificates of the subsidiary companies, namely Millennium Telecom Limited and Mahanagar Telephone Mauritius Limited, have not been provided to us for verification. Also, there is a discrepancy between

the number of shares of United Telecom Limited (referred as Associates Company) as per the share certificates and the recorded in the books.

(ii) Note no. 32 of consolidated financial statements regarding Loan given by Government of India amounting to Rs.1,151.23 Crore for payment of Interest on Sovereign bonds does not stipulate terms regarding interest thereon. Therefore, the company has not provided any interest as aforesaid.

(iii) Note no. 67 of consolidated financial statements regarding pending dispute with the Income Tax Department before the Hon'ble Courts regarding deduction claimed by the Company u/s 80IA of the Income Tax Act, 1961, The company has created the Contingency reserve of Rs. 243.22 Crores in this regard.

(iv) Note no. 68(b) 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.

(v) Note no. 16 & 19 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.

(vi) Note No.82 The service agreement entered on 22.11.2024 (superseding the earlier agreement dated 18.08.2021) with BSNL, the entire telecom operations of the company in Delhi and Mumbai shall be run by BSNL w.e.f 01.01.2025. BSNL shall also take care of CAPEX and OPEX for the smooth running of operations and ensure EBIDTA neutral operations of the company.

(vii) Note No. 74(d) regarding the amount recoverable from Department of Telecommunications ("DOT") in respect of settlement of General Provident Fund (GPF) amounting to Rs. 6.52 crores of Combined Service Optees absorbed employees in MTNL and the matter is still under review with DOT and the full amount of GPF including interest thereon, is continued to be shown as recoverable from DOT and payable to GPF.

(viii) Note No.82 In pursuance of DoT letter No. F.No. 30-04/2019-PSU Affairs dt. October 29, 2019 and decision of Board of Directors of MTNL through circular regulation on November 4, 2019, the MTNL Voluntary Retirement Scheme has been introduced with effect from November 4, 2019 under which 14,387 number of MTNL employees opted for VRS and the expenditure of ex-gratia on account of compensation to be borne by the DOT/Government of India through budgetary supports as per approval of cabinet. Balance amount payable to VRS opted employees as on March 31, 2025 is shown in the financial statements of the company as receivable from DOT and payable to VRS retirees, to reflect the actual position with reference to VRS scheme of 2019 of MTNL.

(ix) Note No. 86 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.

(x) Note No. 86 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.

(xi) Note No. 20(iv) 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.

(xii) Note 62(A) 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 March 30, 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'.

(xiii) Note No. 64 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 the books of accounts of the Company.

(xiv) Note No. 71 Regarding amount of receivable and payables (Including NLD/ILD Roaming operators) are subject to confirmation & reconciliation. The recoverable and payable from operators are under constant review and regular efforts are being taken for reconciliation and recovery of old outstanding dues. Adjustment if any may be required will be done once the reconciliation process is done.

(xv) Note No. 84 Regarding amount payable to GPF trust is currently in the process of reconciling its liabilities to determine the provident fund payables to employees. The adjustment if any resulting from this re-computation/ reconciliation will be recognized once the reconciliation process is completed.

(xvi) Note No.26 regarding defaults in bank loan repayment amounting to Rs.1,848.96 crores, where such bank accounts have been declared as NPA by the respective banks except

one bank. The company has initiated with the lender banks for possible resolution and settlement of such items.

(xvii) Provisional income being booked under Revenue from Operations due to non-functioning of the billing software in some areas in the Delhi Unit and Mumbai Unit.

(xviii) In accordance with the requirement of section 149 of the Companies Act, the company does not have requisite number of independent directors and women directors.

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

Material uncertainty related to going concern

We draw attention to Note 82 of the financial statements, which highlights that the Company has incurred net losses and cash losses in the current and previous years, its net worth is fully eroded, and current liabilities significantly exceed current assets. These conditions indicate a material uncertainty about the Company's ability to continue as a going concern.

However, the Union Cabinet has approved a revival plan for BSNL and MTNL, including employee cost reduction, 4G spectrum allotment, debt restructuring through sovereign guarantee bonds, asset monetization, and an in-principle approval for their merger. The Company implemented a Voluntary Retirement Scheme in FY 2019–20 and raised Rs. 6,500 Crore through bonds in FY 2020–21.

Further, the Cabinet approved raising Rs. 17,571 Crore via sovereign guaranteed bonds to replace high-cost debt. A Committee of Secretaries (CoS) is also evaluating measures for MTNL's financial sustainability and merger with BSNL.

In line with CoS directions, the Board has approved a 10-year Service Level Agreement with BSNL (effective from 01.01.2025), under which BSNL will fully manage MTNL's telecom operations.

These conditions cast significant doubt on ability of the company to continue as going concern. However, the consolidated financial statement of the company has been prepared on a going concern basis keeping in view of the facts stated in Basis of Qualified opinion para of the report.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the basis of qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit Addressed the key Audit Matter
1	**Revenue Recognition:** There is an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of changing pricing models to revenue recognition (tariff structures, incentive arrangements, discounts etc.) Refer Notes no. 61 to the consolidated financial statements.	Our audit approach included control testing and substantive procedures covering in particular: Testing the IT environment (i.e., IT general controls) in which billing, rating and other relevant support systems reside, including the change control procedures in place around systems that bill material revenue streams. Testing the end-to-end reconciliation from business support systems to billing and rating systems to the general ledger. This testing includes validating material journals processed between the billing system and general ledger. Performing tests on the accuracy of customer bill generation on sample basis and testing of a sample of the credits and discounts applied to customer bills: and testing receipts for a sample of customers back to customer invoice.
2	**Uncertain Taxation Matters:** The Company has material uncertain tax matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note no. 54 and 67 to the consolidated financial statements.	We have obtained details of completed tax assessments and demands up to March 31, 2025, from the management. We assessed the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. We also considered legal precedence and other rulings, including in the Company's own cases, in evaluating management's position on these uncertain tax positions.
3	**Contingent liabilities** There are numbers of litigations pending before variousf o r u m s against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability.	We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures.

Sr. No.	Key Audit Matter	How our audit Addressed the key Audit Matter
	We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias. (Refer to Note no. 54 of consolidated Financial statements.)	- understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases. - discussed with the management any material developments and latest status of legal matters. - read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosures of contingent liabilities. - examined management's judgements a n d assessment whether provi-sions are re-quired. - considered the management assessments of those matters that are not disclosed as the probability of material outflow is consid-ered to be remote. - reviewed the adequacy and completeness of disclosures.
4	The Company has significant receivables and payables balances, including long- outstanding balances government of India, Department of Telecom and other private telecom operators etc. The assessment of the recoverability of receivables and completeness of payables is considered a key audit matter due to: - The materiality of these balances to the financial statements.	Our audit procedures included, among others: - Understanding the Company's processes and internal controls over the recording, monitoring, and reconciliation of receivables and payables. - Performing substantive testing on a sample of receivables and payables by examining underlying invoices, contracts, and correspondences. - Reviewing ageing reports and assessing subsequent receipts and settlements to evaluate recoverability and completeness.

Sr. No.	Key Audit Matter	How our audit Addressed the key Audit Matter
	- Significant judgment involved in assessing the recoverability of receivables, especially those pending resolution due to contractual disputes, reconciliation issues, or administrative delays—common in dealings with government entities. - Complexity in assessing the aging, confirmation status, and settlement patterns of receivables and payables, particularly where balances are netted off under bilateral arrangements or interconnect agreements. - Application of Ind AS 109 Financial Instruments in determining Expected Credit Losses (ECL) requires management estimates around default risk, historical loss trends, and macroeconomic conditions.	- Evaluating the methodology used by management in determining Expected Credit Loss (ECL) under Ind AS 109, including assumptions regarding risk of default, segmentation of customers, and historical loss experience. - Assessing management's estimates for provisioning, particularly for receivables from government departments and inter-operator settlements. - Preforming test regarding any claims lodged by any of the party and the disclosure thereof in the financial statement. - Reviewing disclosures made in the financial statements to ensure compliance with Ind AS requirements.

Other Matters

a) We did not audit the financial statements of one subsidiary, whose financial statements/ financial information reflect total assets of Rs. 135.60 Crores, net assets of Rs. 112.91 Crores as at 31st March, 2025, total revenues of Rs. 71.70 Crores, net (loss) after tax of Rs. (4.51) Crores, total comprehensive (loss) of Rs.2.15 Crores and net cash flow of Rs. (1.38) Crores for the year ended on that date, as considered in the Consolidated Financial Statements. The above financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

The above subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted these financial statements of such subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b) The accompanying Consolidated Financial Statements also includes audited financial statements and other audited financial information in respect of one subsidiary whose audited financial statements and other financial information reflects total assets of Rs. 8.93 Crores, net assets of Rs. 6.27 Crores as at March 31, 2025 and total revenue of Rs.1.66 Crores, net profit of Rs.0.36 Crores, total comprehensive income of nil and net cash flow amounting to Rs. (0.10) Crores for the year ended on that date, as considered in consolidated financial statements.

c) The accompanying Consolidated Financial Statements also includes audited financial statements and other audited financial information in respect of One Joint Venture, whose financial statements reflect the Group's share of net profit of Rs. 1.82 Crores for the year ended March 31, 2025, as considered in the Consolidated Financial Statements whose financial statements and other financial information have not been audited by their auditors.

d) The accompanying Consolidated Financial Statements also includes unaudited financial statements and other unaudited financial information in respect of One associate, whose financial statements reflect the Group's share of net loss of NIL the year ended March 31, 2025, as considered in the Consolidated Financial Statements whose financial statements and other financial information have not been audited by their auditors.

e) The unaudited financial statements referred to (c) and (d) above have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of associate and Joint Venture is based solely on such audited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

f) Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

g) The comparative financial statements for the year ended 31st March 2024 included in the accompanying consolidated financial statement have been audited by B.M. Chatrath & Co. LLP Chartered Accountants jointly with D. K. Chhajer & Co. then joint statutory auditors of the company, whose audit report dated May 29, 2024 expressed qualified opinion on the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's report, Management Discussion and analysis and report on Corporate Governance but does not include the Consolidated Financial Statements and our auditor's report there on. The abovementioned other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including total comprehensive loss, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind-AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the Companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,

which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Holding Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, based on our audit

and consideration of the reports of other auditors on separate financial statements of the subsidiaries, associates and joint venture company incorporated in India, as noted in the other matters section we give in the "Annexure A" a statement on the matters specified in paragraphs 3 (xxi) of the Order.

2. As per the Notification No. GSR 463 (E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, reporting in accordance with the requirement of the provisions of section 197 (16) of the Act is not applicable to the Holding Company.

3. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters described in the Basis for Qualified Opinion Paragraph above.

   b) Except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph above, in our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, Consolidated Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, except for the matters described in the basis of qualified opinion section above, the aforesaid Consolidated Financial Statements comply with the IND AS specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e) Being the Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Act, are not applicable to the Holding Company.

   f) The matters described in the Basis of Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.

   g) With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associate and joint venture companies with reference to Consolidated Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" wherein we have expressed a modified opinion.

   h) The qualifications relating to the maintenance of accounts and other matters connected there with are as stated in the Basis of Qualified Opinion Paragraph above.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our

opinion and to the best of our information and according to the explanations given to us:

a) The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements. (Refer to note no. 54 of Consolidated Ind- AS Financial statements.)

b) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

c) There is no amount which is required to be transferred to Investor Education and Protection Fund by the Company. Accordingly, reporting under this clause is not applicable.

d) (i) The respective Managements of the Holding Company, its subsidiaries and Joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") and Joint Venture Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Holding Company, its subsidiaries and Joint Venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries or Joint Venture Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and Joint Venture Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding

Company, its subsidiaries and Joint Venture Company which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The Holding company has not declared or paid any dividend during the year. Accordingly, the provisions of Section 123 of the Act is not applicable. Further, auditor of a subsidiary company which is incorporated in India and whose financial statements have been audited under the Act has not reported about the compliance of the Section 123 of the Act.

f) Based on our examination, which included test checks, the Holding Company has used accounting software/s for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (Edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software/s.

Further, as represented by the management the edit log is maintained through a "Database trigger" maintained in the system. The database trigger can only be altered by super user/DBA. However, as confirmed by the management there are no instance of the audit trail feature being tampered with during the year ended March 31, 2025.

As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention has been maintained by the company for the financial year ended March 31, 2025.

For O P Bagla & Co LLP
Chartered Accountants
FRN No. 00018N/N500091

Sd/-
(Nitin Jain)
Partner
Membership No. 510841
UDIN: 25510841BMNYFJ8150

For S.L.Chhajed & Co. LLP
Chartered Accountants
FRN No. 000709C/C400277

Sd/-
(Vijit Baidmutha)
Partner
Membership No. 406044
UDIN: 25406044BMICPH7194

Place: New Delhi
Date: 28 May 2025

Annexure – A

Annexure A to The Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as under:

S. No.	Name of Entities	CIN	Holding Company/ Subsidiary Company/Joint Venture	Clause Number of CARO Report
1.	Mahanagar Telephone Nigam Limited	L32101DL1986GOI023501	Holding Company	Clause 3(i)(a) Clause 3(i)(b) Clause 3 (i)(c) Clause 3(vi) Clause 3(vii)(a) Clause 3(vii)(b) Clause 3(ix)(a) Clause 3(xiv)(a) Clause 3(xiv)(b) Clause 3(xix)
2.	Millenium Telecom Limited	U64200DL2000GOI333459	Wholly Owned Subsidiary	Clause 3(vii)(b)

For O P Bagla & Co LLP
Chartered Accountants
FRN No. 00018N/N500091

Sd/-
(Nitin Jain)
Partner
Membership No. 510841
UDIN: 25510841BMNYFJ8150

For S.L.Chhajed & Co. LLP
Chartered Accountants
FRN No. 000709C/C400277

Sd/-
(Vijit Baidmutha)
Partner
Membership No. 406044
UDIN: 25406044BMICPH7194

Place: New Delhi
Date: 28 May 2025

Annexure – B

Annexure B to The Independent Auditors' Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Mahanagar Telephone Nigam Limited as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Mahanagar Telephone Nigam Limited (hereinafter referred to as the "Holding Company") and its subsidiary and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiary and joint venture, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to these Consolidated Financial Statements includes obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to these Consolidated Financial Statements

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to these Consolidated Ind-AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the following material weaknesses have been identified in the operating effectiveness in internal financial controls over financial reporting as at March 31, 2025:

(i) The Company's billing software has not been operating properly in the Delhi Unit and Mumbai Unit. Additionally, the Company has not implemented sufficient alternative or manual procedures to ensure billing accuracy or safeguard against errors and fraud during this period, indicating a lack of effective internal controls over the billing process.

(ii) The Company does not have appropriate internal control system for ensuring capitalization of Property, Plant and Equipment as and when the same is ready for use due to delayed issue of completion certificate by engineering department or due to delay in receipt of bills from the vendors for bought out items or due to delay of inventory issue slip by stores. Hence, the date of capitalization is not reliable. This could potentially result into delayed capitalization and corresponding impact on the operational results due to lower charge of depreciation.

(iii) The Company does not have an appropriate internal control system for ensuring de-commissioning and de-capitalization of Property, Plant and Equipment in respect of assets which are no longer in use and held for disposal as scrap. This could potentially result into overstatement of gross block and corresponding impact on the operational results due to higher charge of depreciation and lower provision for impairment of assets.

(iv) The Company does not have an appropriate internal control system to ensure that provisions made pending receipt of bills from vendors / contractors / operators / government departments at the quarter end and year end are duly reversed when actual bills are received and accounted for. This could potentially result in the same being accounted twice.

(v) The Company does not have an appropriate internal control system to track open purchase orders, work orders, agreements and contracts which have been entered with vendors / contractors / operators / government departments and are lying open. This could have a bearing on efficiency of operations and recording of financial liabilities and provisions pertaining to the same.

(vi) The Company does not have an integrated ERP system. Different software packages used by the company are interfaced through software links or manual intervention leaving gaps between them. This could potentially result into impaired financial reporting. In Mumbai Unit the Company does not have an appropriate internal control system for reconciliation of Debtors between Billing software and Accounts, which could potentially result in some changes in the consolidated financial statements.

(vii) The Company does not have an appropriate internal control system for reconciliation of vendors / contractors / operators / government departments, accounts which could

potentially result in some changes in the consolidated financial statements. The cases identified by us have been appropriately qualified at various places in our report.

(viii) The Company does not have effective internal audit system so as to cover all major areas with extensive scope. The extent and depth of coverage, manner of conduct and reporting in respect of internal audit is very weak. This could potentially result into weak checks and balances and unreported financial irregularities ultimately resulting into distorted financial reporting.

(ix) The Company does not have an appropriate internal control system for reconciliation of items of unlinked debits and credits because of receipts from the subscriber and the amount debited by the banks. This could potentially lead unreported financial adjustments ultimately resulting into distorted financial reporting.

(x) The Company does not have an appropriate internal control system for invoicing which are due and payable based on manual invoicing. The invoicing systems does not have reliability of measurement and reconciliation of items. This leads to multiple revisions and errors in invoicing. This could potentially lead errors in revenue recognition.

(xi) The Company does not have appropriate internal control system for ensuring end use of issued inventory. The accounting is done based on the requisition statement of item and not actual installation or commission of item. This could potentially result into non-identification of pilferage and also early capitalization of equipment.

(xii) The Company does not have an appropriate internal control system for ensuring billing and recovery of water and electricity charges from the lessee. This could potentially result in non- recovery and delayed recovery of such charges causing financial loss of the absolute expenses and finance cost on the delay in realization. This could also result in inaccurate expense values in the financial statements of the company.

(xiii) The company does not have appropriate internal control system towards renewals of the expired Rent/Lease agreements. Even though in some of the cases where lease agreements have been expired, company is receiving rentals on the terms and conditions mentioned in the expired agreement with the parties.

(xiv) The company does not have appropriate internal control towards the timely closure of workorders w.r.t. landline & FTTH connections and creation of customer master for billing. This could potentially result in leakage and potential loss of revenue.

(xv) The Company does not have appropriate internal control system for reconciliation of TDS refundable with form 26 AS and TDS certificate where applicable, which could potentially result in changes in consolidated financial statement.

(xvi) In some cases, company is recognizing rentals on the terms and conditions mentioned in the expired agreements with the parties and not receiving any amount from such parties for more than one year. However, the company has not provided provision for doubtful debts for all such cases.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to the consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as of March 31, 2025 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2025, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.

For O P Bagla & Co LLP
Chartered Accountants
FRN No. 00018N/N500091

Sd/-
(Nitin Jain)
Partner
Membership No. 510841
UDIN: 25510841BMNYFJ8150

For S.L.Chhajed & Co. LLP
Chartered Accountants
FRN No. 000709C/C400277

Sd/-
(Vijit Baidmutha)
Partner
Membership No. 406044
UDIN: 25406044BMICPH7194

Place: New Delhi
Date: 28 May 2025

MAHANAGAR TELEPHONE NIGAM LIMITED
Consolidated Balance Sheet as at 31 March 2025

	Notes	'31 March 2025 (Rs. in crores)	'31 March 2024 (Rs. in crores)
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,359.86	2,521.18
Capital work-in-progress	5	31.97	85.80
Right-of-use assets	6	281.72	314.48
Investment property	7	65.77	67.76
Intangible assets	8	1,101.09	1,429.47
Investments accounted for using the equity method	9	3.62	3.51
Financial assets			
Loans	10	2.11	2.32
Other financial assets	11	500.83	267.91
Deferred tax assets (net)	12	0.00*	0.00
Non Current tax assets (net)	13	501.41	600.19
Other non-current assets	14	24.98	33.74
Total non-current assets		**4,873.37**	**5,326.36**
Current assets			
Inventories	15	5.94	5.78
Financial assets			
Trade receivables	16	559.79	512.42
Cash and cash equivalents	17	180.76	85.07
Other bank balances	18	29.16	23.36
Loans	19	1.58	2.04
Other financial assets	20	4,307.65	4,499.04
Other current assets	22	257.72	259.10
Current Tax Asset		0.00	0.11
Total current assets		**5,342.60**	**5,386.93**
Assets held for sale	23	10.36	4.06
Total assets		**10,226.33**	**10,717.34**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	24	630.00	630.00
Other equity	25	(27,548.97)	(24,274.10)
Total equity		**(26,918.97)**	**(23,644.10)**
Non-current liabilities			
Financial liabilities			
Borrowings	26	23,481.93	24,005.77
Lease liabilities	27	54.42	67.37
Other financial liabilities	28	166.83	172.76
Long-term provisions	29	401.66	385.20
Deferred tax liabilities (net)	30	5.60	6.24
Other non-current liabilities	31	41.24	53.20
Total non-current liabilities		**24,151.68**	**24,690.54**
Current liabilities			
Financial liabilities			
Borrowings	32	8,886.41	6,022.05
Lease liabilities	33	18.64	46.09
Trade payables	34		
(a) Total outstanding dues of micro and small enterprises		111.59	72.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		888.57	1,005.62
Other financial liabilities	35	2,144.67	1,941.31
Other current liabilities	36	865.79	500.46
Short-term provisions	37	77.95	83.02
Current tax laibilities	21	-	-
Total current liabilities		**12,993.62**	**9,670.91**
Total liabilities		**37,145.30**	**34,361.44**
Total equity and liabilities		**10,226.33**	**10,717.34**

Summary of material accounting policies 3

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

* Rs.15463/-

For and on behalf of the Board of Directors

Sd/- Sd/-

For O P Bagla & Co LLP	**For S.L.Chhajed & Co. LLP**	**(A. Robert J. Ravi)**	**(Rajiv Kumar)**
Chartered Accountants	Chartered Accountants	Chairman and Managing Director	Director (Finance)
FRN No. 00018N/N500091	FRN No. 000709C/C400277	DIN 10095013	DIN 09811051
Sd/-	Sd/-	Sd/-	Sd/-
(CA Nitin Jain)	**(CA Vijit Baidmutha)**	**(Anirudh Prasad Singh)**	**(Ratan Mani Sumit)**
Partner	Partner	Chief Financial Officer	Company Secretary
Membership No. 510841	Membership No. 406044		Membership No. 15193

Place: New Delhi
Date: 28 May 2025

MAHANAGAR TELEPHONE NIGAM LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 March 2025

	Notes	'31 March 2025 (Rs. in crores)	'31 March 2024 (Rs. in crores)
Income			
Revenue from operations	38	698.02	798.56
Other income	39	680.50	574.53
Total income		**1,378.52**	**1,373.10**
Expenses			
Purchases of stock-in-trade		4.63	4.61
License fees expense	40	66.87	70.79
Employee benefits expense	41	575.21	574.07
Finance costs	42	2,918.15	2,689.90
Revenue sharing expense		59.51	73.48
Depreciation and amortisation expense	43	612.15	666.35
Other expenses	44	472.12	563.43
Total expenses		**4,708.65**	**4,642.63**
Profit/(loss) before share of net profits of investments accounted for using equity method and tax		**(3,330.13)**	**(3,269.53)**
Share of profit/(loss) in investments accounted for using equity method		1.82	1.82
Profit/(loss) before tax		**(3,328.31)**	**(3,267.71)**
Tax expense	45	(0.62)	(0.19)
Net profit/(loss) for the year		**(3,327.69)**	**(3,267.52)**
Discontinued operations			
Profit from discontinued operations before and after tax			-
Profit/ (loss) from discontinued operations		-	-
Net profit/ (loss) for the year		**(3,327.69)**	**(3,267.52)**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements of defined benefit plans	46	(17.85)	(15.22)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit and loss			
Exchange difference on translation of foreign operations		2.15	(3.93)
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/ (loss) for the year		**(15.70)**	**(19.16)**
Total comprehensive income/ (loss) for the year		**(3,343.39)**	**(3,286.68)**
Profit/ (loss) is attributable to :			
Owners of Mahanagar Telephone Nigam Limited		(3,327.69)	(3,267.52)
		(3,327.69)	**(3,267.52)**
Total comprehensive income/ (loss) is attributable to :			
Owners of Mahanagar Telephone Nigam Limited		(3,343.39)	(3,286.68)
		(3,343.39)	**(3,286.68)**
Loss per equity share:	47		
Basic (Rs.)		(52.82)	(51.87)
Diluted (Rs.)		(52.82)	(51.87)
Summary of material accounting policies	3		

The accompanying notes are integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For and on behalf of the Board of Directors

		Sd/-	Sd/-
For O P Bagla & Co LLP	**For S.L.Chhajed & Co. LLP**	**(A. Robert J. Ravi)**	**(Rajiv Kumar)**
Chartered Accountants	Chartered Accountants	Chairman and Managing Director	Director (Finance)
FRN No. 00018N/N500091	FRN No. 000709C/C400277	DIN 10095013	DIN 09811051
Sd/-	Sd/-	Sd/-	Sd/-
(CA Nitin Jain)	**(CA Vijit Baidmutha)**	**(Anirudh Prasad Singh)**	**(Ratan Mani Sumit)**
Partner	Partner	Chief Financial Officer	Company Secretary
Membership No. 510841	Membership No. 406044		Membership No. 15193

Place: New Delhi

Date: 28 May 2025

MAHANAGAR TELEPHONE NIGAM LIMITED

Consolidated Statement of Cash Flows for the year ended 31 March 2025

		'31 March 2025 (Rs. in crores)	'31 March 2024 (Rs. in crores)
A	**CASH FLOW FROM OPERATING ACTIVITIES**	**(3,328.31)**	**(3,267.71)**
	Profit/(loss) before tax		
	Adjustments for:		
	Depreciation expense	283.70	331.05
	Amortisation expense	328.45	335.30
	Loss on disposal of property, plant and equipment (net)	(6.19)	(0.31)
	Share of profit from associates and joint ventures	(1.82)	(1.82)
	Interest income	(23.47)	(20.27)
	Excess provisions written back	(129.96)	(66.50)
	Provision of Insurance Claim	1.50	0.95
	Provision for doubtful debts	8.26	63.39
	Provision for obsolete inventory	0.26	3.81
	Provision for doubtful claims	23.86	11.70
	Provision for abandoned work capital work in progress	-	0.01
	Finance costs	2,918.15	2,689.90
	Bad debts recovered	(0.02)	(0.01)
	Bad debts written off	11.79	11.74
	Operating loss before working capital changes	**86.21**	**91.22**
	Movement in working capital		
	Increase in loans	0.99	3.12
	(Increase)/decrease in inventories	(0.41)	(4.62)
	Decrease/(increase) in other financial assets	(162.66)	10.44
	(Increase)/decrease in other assets	10.18	8.63
	Increase in trade and other receivables	(67.18)	(0.42)
	(Decrease)/increase in other financial liabilities	(26.42)	(14.61)
	Decrease in other liabilities	354.55	(45.00)
	Decrease in provisions, trade and other payables	45.71	106.98
	Cash used in operating activities post working capital changes	**240.97**	**155.74**
	Income tax (paid)/refunds (net)	98.88	(25.65)
	Net cash used in operating activities (A)	**339.85**	**130.10**
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)	(35.77)	(73.13)
	Movement in fixed deposits (net)	(5.79)	164.23
	Dividend received	1.71	1.37
	Interest received	11.15	14.90
	Net cash used in investing activities (B)	**(28.70)**	**107.38**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds and repayment of long-term borrowings (net)	(258.32)	2,664.68
	Proceeds and repayment of short-term borrowings (net)	2,507.39	(441.46)
	Finance cost paid	(2,415.38)	(2,476.70)
	Payment towards lease liability (iincluding interest)	(49.13)	(65.31)
	Net cash flows from financing activities (C)	**(215.45)**	**(318.79)**
	Decrease in cash and cash equivalents (A+B+C)	95.70	(81.32)
	Cash and cash equivalents at the beginning of the year	85.07	166.39
	Cash and cash equivalents at the end of the year (As per Note 17)	**180.76**	**85.07**

Notes:

1. Statement of Cash Flows has been prepared under Indirect method as set out in Ind AS 7 'Statement of Cash Flows'
2. Previous year figures have been regrouped/reclassified whereever applicable
3. Refer Note 26 for Reconciliation of financial liabilities arising from financing activities

For and on behalf of the Board of Directors

Sd/- Sd/-

For O P Bagla & Co LLP	**For S.L.Chhajed & Co. LLP**	**(A. Robert J. Ravi)**	**(Rajiv Kumar)**
Chartered Accountants	Chartered Accountants	Chairman and Managing Director	Director (Finance)
FRN No. 00018N/N500091	FRN No. 000709C/C400277	DIN 10095013	DIN 09811051
Sd/-	Sd/-	Sd/-	Sd/-
(CA Nitin Jain)	**(CA Vijit Baidmutha)**	**(Anirudh Prasad Singh)**	**(Ratan Mani Sumit)**
Partner	Partner	Chief Financial Officer	Company Secretary
Membership No. 510841	Membership No. 406044		Membership No. 15193

Place: New Delhi
Date: 28 May 2025

MAHANAGAR TELEPHONE NIGAM LIMITED
Consolidated Statement of changes in equity for the year ended 31 March 2025

A. Equity share capital

(Rs. in crores)

Particulars	Balance as at 01 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024	Changes in equity share capital during the year	Balance as at 31 March 2025
Equity share capital	630.00	-	630.00	-	630.00

B. Other equity

(₹ in crores)

	Securities Premium	Promoter's Contribution	General reserve	Contingency reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Total
Balance as at 01 April 2023	665.00	728.78	0.07	243.22	(23,119.97)	(2.04)	(21,484.94)
Profit/(loss) for the year	-		-	-	(3,267.52)	-	(3,267.52)
Dividend paid		497.51					497.51
Transfer from other comprehensive income to retained earnings	-		-	-	-	-	-
Addition during the year	-		-	-	-	-	-
Other comprehensive income for the year	-		-	-	(15.22)	(3.93)	(19.16)
Balance as at 31 March 2024	665.00	1,226.29	0.07	243.22	(26,402.71)	(5.97)	(24,274.10)
Profit/(loss) for the year	-		-	-	(3,327.69)	-	(3,327.69)
Addition during the year		68.52					68.52
Transfer in/ (out)	-		-	-	-	-	-
Other comprehensive income for the year	-		-	-	(17.85)	2.15	(15.70)
Balance as at 31 March 2025	665.00	1,294.81	0.07	243.22	(29,748.25)	(3.82)	(27,548.97)

For and on behalf of the Board of Directors

Sd/-
(A. Robert J. Ravi)
Chairman and Managing Director
DIN 10095013

Sd/-
(Rajiv Kumar)
Director (Finance)
DIN 09811051

For O P Bagla & Co LLP
Chartered Accountants
FRN No. 00018N/N500091

Sd/-
(CA Nitin Jain)
Partner
Membership No. 510841

For S.L.Chhajed & Co. LLP
Chartered Accountants
FRN No. 000709C/C400277

Sd/-
(CA Vijit Baidmutha)
Partner
Membership No. 406044

Sd/-
(Anirudh Prasad Singh)
Chief Financial Officer

Sd/-
(Ratan Mani Sumit)
Company Secretary
Membership No. 15193

Place: New Delhi
Date: 28 May 2025

1. Corporate information

Mahanagar Telephone Nigam Limited ('MTNL' or 'Parent') along with its subsidiaries, associates and joint venture (collectively referred to as 'Group'), a public sector enterprise, is engaged in providing telecom services in the geographical area of Mumbai and Delhi. The registered office of the Parent is located at Mahanagar Doorsanchar Sadan, 5th Floor, 9, CGO Complex, Lodhi Road, New Delhi – 110003. The company's shares are listed with Bombay Stock Exchange and National Stock Exchange.

2. Basis of preparation

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2025 in accordance with Ind AS 110 and the Board of Directors approved the same for issue on 28 May 2025.

b) Basis of Measurement

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared under the historical cost convention except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Assets held for sale – measured at fair value less costs of disposal

c) Critical Accounting Estimates and Judgements:

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the group make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting

estimates are recognised in the period in which the estimates are revised and future periods are affected. The group uses the following critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements:

- **Recognition of deferred tax assets -** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions
- **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Assessment lease term –** Lease term includes non-cancellable periods of lease along with extension options reasonably certain to be exercised and termination options reasonably certain not to be exercised. The assessment of whether extension options and termination options are reasonably certain to be exercised or not to be exercised, involve significant management judgement based upon economic incentives to extend or terminate the lease.
- **Activation and installation fees -** The Company receives activation and installation fees from new customers. These fees together with directly attributable costs are amortised over the estimated duration of customer relationship period. The customer relationship period is reviewed periodically. The estimated relationship period principally reflects management's view of the average economic relationship period of the customer base and is assessed by reference to key performance indicators (KPIs) which are linked to establishment/ ascertainment of customer relationship period. A change in such KPIs may lead to a change in the estimated useful life and an increase/ decrease in the amortisation income/charge. The Company believes that the change in such KPIs will not have any material effect on the financial statements.
- **Recoverability of advances/receivables –** At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current–** The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities. An asset is classified as current when it expected to be realized in, or is intended for sale or consumption

in, the Company's normal operating cycle or expected to be realized within 12 months after the reporting date. A liability is expected to be settled in the Company's normal operating cycle or is due to be settled within 12 months after the reporting date. All other assets and liabilities are classified as non-current. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

- **Segment reporting –** The service offered as 'Basic & Other Services' and 'Cellular' has been identified as two reportable segments for segment reporting.
- **Impairment of assets -** In assessing impairment, management estimates the recoverable amounts of each asset or cash-generating unit (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate
- **Useful lives of depreciable/amortisable assets (tangible and intangible) -** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment. During the current year, the Company has changed its estimate of useful live for mobile handsets used for service connection from 4 years to 3 years. The impact of such change in useful live is immaterial on the Company's financial statements.
- **Inventories** – Management estimates the cost of inventories including cost of materials and overheads considered attributable to the production of such inventories, taking into account the most reliable evidence available including actual cost of production, etc. Management also estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.
- **Defined benefit obligation (DBO) -** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses
- **Fair value measurements -** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates

and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3. Material accounting policies information:

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, joint ventures and associates as at 31 March 2024. Control is achieved when the Group is exposed or has rights to variable returns from its involvement through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Subsidiaries

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Associates and joint ventures

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

- **Joint ventures –** Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.
- **Joint operations –** The Group recognises its direct right to the assets, liabilities, revenue and expenses of Joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statement under the appropriate heading.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

b) Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to

receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. Revenue is recognized on accrual basis, including income from subscribers whose disputes are pending resolution, and closure of the subscribers' line.

a) In the case of contracts involving single performance obligation, accounting for revenue is done on accrual basis and revenue is recognized over the period in which services are rendered.

b) In case of contracts involving multiples promises, which involve delivery or performance of multiple products, services or right to use assets, evaluation is done for all deliverables in an arrangement to determine whether they represent separate performance obligations at the inception of arrangement. Total consideration related to the bundled contract is allocated among the different performance obligations based on their standalone selling prices. In case the relative fair value of different performance obligations cannot be determined on a reasonable basis, the total consideration is allocated to the different performance obligations based on residual value.

c) For sale of prepaid products, processing fee on recharge coupons is recognized over the customer relationship period or coupon validity period, whichever is lower.

d) Activation & installation revenue and related costs, not exceeding the respective revenue, are to be deferred and amortized over the estimated customer relationship period. The excess of costs over revenue, if any, are to be expensed as incurred. Subscriber acquisition costs are to be expensed as incurred.

e) Income from sale of prepaid calling cards, virtual calling cards (VCC) and prepaid internet connection cards is recognised basis the usage or expiry of cards, whichever is earlier.

f) Interest income/expenditure is to be recognized based on effective interest rate [EIR] i.e. the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs fees paid or received, premiums or discounts if any etc. The difference between the actual interest rate and effective interest rate will be routed through statement of profit or loss.

g) Income from services includes income from leasing of infrastructure to other service providers. Cost of related stores and materials consumed in execution is charged to project or revenue job at the time of issue. However, spill over items at the end of the year lying at various stores are valued at weighted average cost.

h) Sale proceeds of scrap arising from maintenance & project works are taken into miscellaneous income in the year of sale.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billing in excess of revenues or advances received form the customer.

c) Post-employment benefits

a) Defined contribution plan

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. Group's defined contribution plans include provident fund, pension contribution and leave salary.

(i) In respect of absorbed combined service pension optees in MTNL, provision for pension contribution is payable to the Govt. of India as per FR-116 as in Bharat Sanchar Nigam Limited ('BSNL') with equivalent BSNL pay scales and it is expensed off in the relevant year.

(ii) In respect of officials who are on deemed deputation from Department of Telecommunications (DoT) and other Government departments, the provision for pension contribution is payable to the Government of India at the rates specified in Appendix 2(A) to FR 116 and 117 of FR. & SR and it is expensed off in the relevant year. Further, provision for leave encashment is payable @ 11% of pay as specified in appendix 2(B) of F.R.116 and 117 of F.R. & S.R. and it is expensed off in the relevant year.

b) Defined benefit plan

The defined benefit plans sponsored by the Group defines the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Group. The Group's defined benefit plans include amounts provided for gratuity and provident fund.

(i) For Absorbed CPF optees and direct recruits of MTNL, the Parent made contribution to provident fund Trust administered by the Parent, which was recognised by the income tax authorities. Following the withdrawal of the Parent's exemption from the provident fund, all accumulations in the employees' accounts on the employer's accounts, as well as employee contribution and interest thereon, have been transferred to the Recognised Provident Fund, and with effect from July 2020 the Parent has no legal or constructive obligations to pay further contributions after paying the fixed contribution to Recognised Provident Fund.

(ii) For Absorbed CPF optees and direct recruits of MTNL, the liability for gratuity is estimated using actuarial valuation as the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

(iii) For absorbed combined service pension optee employees in MTNL, no provision is made for the pensionary benefits viz pension and gratuity.

c) Other long-term employee benefits

(i) Liability for leave encashment for all employees of MTNL is accounted for on actuarial valuation basis, performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the consolidated statement of profit and loss in the year in which such gains or losses arise.

(ii) For post-retirement medical benefits, no provision is made since insurance policy is taken periodically and the premium is expensed off in the relevant year.

d) Short-term benefits comprise of employee costs such as salaries, bonus, ex-gratia, short-term compensated absences are accrued in the year in which the associated services are rendered by employees of the Group.

e) Bonus/Ex-gratia is paid based on the productivity linked parameters and it is to be provided accordingly subject to the profitability of the company.

d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time, which is generally considered as one year, to get ready for its intended use or sale are capitalised as part of the cost of the asset. Further, projects with estimated cost up to ` 30 crores generally take a year to complete. All other borrowing costs are expensed in the period in which they occur and reported in finance cost. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest rate.

e) Property, plant and equipment

Recognition and initial measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation. The cost comprises purchase

price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Assets are capitalized, as per the practices described below, to the extent completion certificates have been issued, wherever applicable.

i. Land is capitalized when possession of land is taken.

ii. Building is capitalized to the extent it is ready for use.

iii. Apparatus &plants principally consisting of telephone exchange equipment and air conditioning plants are capitalised on commissioning of the exchange. Subscriber's installations are capitalized as and when the exchange is commissioned and put to use either in full or in part. Identifiable components in Apparatus &plants having significant cost and/or separate useful life than the main asset i.e. ADSL, VDSL & MES CPES, UPS/Batteries and Subscriber Telephone Instruments are capitalised separately on commissioning and put to use.

iv. Lines & wires are capitalised as and when laid or erected to the extent completion certificates have been issued.

v. Cables are capitalised as and when ready for connection with the main system.

vi. Vehicles and other assets are capitalized as and when purchased.

(a) Property, plant and equipment are being verified by the management at reasonable intervals i.e. once in every three years by rotation. The physical verification of underground cables is done on the basis of working of network and based on records available together with a certificate from the technical officers.

(b) Expenditure on replacement of assets, equipment, instruments and rehabilitation work is capitalized if it is expected to generate future economic benefits for more than one year.

(c) Upon scrapping/decommissioning of assets, these continue to be classified in property, plant and equipment unless they are classified as 'held for sale' and carried at the lower of carrying value or fair value less costs of disposal. Resultant loss, if any, is charged to consolidated statement of profit and loss.

(d) Cost of major inspection is recognized in the carrying amount of plant and equipment if it is expected to generate economic benefits and its life is more than one year.

(e) On replacement of significant components of plant and equipment, recognition is made for such replacement of components as individual assets with specific useful life and depreciated as if these components are initially recognised as separate asset.

(f) In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

(g) The present value of expected cost for decommissioning of the asset on expiry of its useful life is included in the cost of respective asset. A provision for decommissioning is also created with equivalent amount.

(h) Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit or loss as 'other income' or 'other expenses', as the case may be, on the date of disposal.

Subsequent measurement

(a) Depreciation is provided by Parent using straight-line method on the basis of the useful lives prescribed in Schedule II of the Companies Act, 2013 except in respect of Apparatus & Plant (including Towers, Transceivers, switching centres, transmission & other network equipment) and identifiable components in Apparatus & plant having significant cost and/or separate useful life than the main asset, mobile handsets for service connection, low cost aerial optical fibre cable and major structural repairs of the building which are depreciated at the rates based on technical evaluation of useful life of these assets, which are lower than the lives prescribed in Schedule II of the Companies Act 2013. Depreciation is provided by foreign subsidiary on Straight line basis over the useful lives of each part of an item of property plant and equipments. The estimated useful lives and residual value are reviewed at the end of each reporting period.

For **Apparatus &plant** (including Towers, Transceivers, switching centres, transmission & other network equipment), Office equipment & Cable having useful life of 10 Years other than following assets/components with shorter useful lives –

Name of assets	Useful life (years)
1. UPS/Battery up to 300AH capacity	4
2. UPS/Battery more than 300AH capacity	7
3. ADSL, VDSL & MES CPES	5
4. Subscribers telephone instruments	5

For **Office Equipments** having useful life of 5 Years other than following assets/ components with shorter useful lives –

Name of assets	Useful life (years)
1. Mobile handset for service connection	3

For **Cable** having useful life of 18 years other than following assets/components with shorter useful lives –

Name of assets	Useful life (years)
1. Low cost aerial optical fibre cable	3

For **Office Building & exchange** having useful life of 60 and 30 years respectively other than following assets/ components with shorter useful lives –

Name of assets	Useful life (years)
1. Others (Major structural repair of building)	7

For **Foreign Subsidiary** depreciation rates used are as follows:

Name of assets	Depreciation rate
Buildings	4.75%
Computer equipments	31.67%
Furniture, Fixtures and fittings	11.87%
Office equipments	19.00%
Motor vehicles	11.88%
Plant & equipments (Outdoor)	10.00%
Plant & equipments (Indoor)	13.57%

(b) 100 % depreciation is provided on assets immaterial in value up to ` 0.05 lakh, in the year of purchase itself, other than those forming part of project, the cost of which is below ` 0.10 lakh in case of Apparatus &plants, Training equipment & testing equipment and ` 2.00 lakh for partitions, which is not considered to be material.

(c) Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per

the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

f) Intangible assets

Intangible assets are stated at their cost of acquisition and/or development less accumulated amortisation. Intangible assets including application software are capitalised when ready for use. All intangible assets with definite useful life are amortized on a straight-line basis over the estimated useful lives and a possible impairment is assessed if there is an indication that the intangible asset may be impaired.

(a) Intangible assets represented by one-time upfront payment for 3G spectrum is amortized on straight-line basis over the period of license i.e. 20 years.

(b) Application software is amortised on straight-line basis over the useful life of the assets which is considered as 10 years.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

g) Leases

Group as a lessee

The Group's lease asset classes primarily consist of leases for BTS sites, towers and building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

h) Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs of disposal. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

i) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the property is derecognized.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties recognised as at 1 April 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

j) Inventories

Inventories being stores and spares are stated at the lower of cost and net realisable value. However, inventories held for capital consumption are stated at cost.

Cost of inventories:

Cost of stores and spares is determined on weighted average basis.

Net realisable value:

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Provision for obsolescence and slow-moving inventory is made based on management's best estimates of net realisable value of such inventories.

k) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional currency of the Company, since substantially the entire funding of the Company and its operational income is denominated in Indian Rupee. The functional currency of the subsidiaries, associate and joint venture is local currency applicable in respective jurisdictions.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity using the exchange rates prevailing at the dates of the

transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in the statement of profit or loss.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Indian Rupee at the closing rate. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to the statement of profit or loss and are recognized as part of the gain or loss on disposal.

l) Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expires, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in the statement profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within 'other expenses'.

- *Amortised cost*

  A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

  a) financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

  b) contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Group's cash and cash equivalents, trade and certain other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

(i) **For debtors that are not past due –** In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

(ii) **For debtors considered past due –** any enhancement in the accrual done for expected credit loss on individually significant receivables is made as follows –

- Provision is made for wrong billing, disputed claims from subscribers (excluding operators covered under the agreements related to IUC/ Roaming/MOU) and cases involving suspension of revenue realization due to proceedings in Court.
- For landline services – provision is made on the basis of ECL for debtors outstanding for more than 1 year but up to 3 years and 100% in respect of for more than 3 years.
- For closed connections, provision is made in respect of outstanding for more than 3 years along with spill over amount for up to 3 years.
- For wireless services (GSM & CDMA) – 100% provision is made for debtors outstanding for more than 180 days.

(iii) **For other financial assets –** In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

- *Financial assets at FVTPL*

  Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. Assets in this category are measured at fair value with gains or losses recognised in the statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

- *Financial assets at FVOCI*

  FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are designated to this category. FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within FVOCI reserve within equity, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in the statement of profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest rate, except for financial liabilities held for trading or designated as FVTPL, that are carried subsequently at fair value with gains or losses recognised in the statement of profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss and are included within finance costs or finance income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Income taxes

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961and in the overseas branches/companies as per the respective tax laws.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Parent and it is probable that reversal will not occur in the foreseeable future. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax asset ('DTA') is recognized for all deductible temporary differences, carry forward of unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilised or to the extent of taxable temporary differences.

In respect of deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilised.

Minimum Alternate Tax (MAT) credit is recognised, as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss and classified under 'deferred tax asset'.

n) Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some

assets are tested individually for impairment and some are tested at cash-generating unit level.

For intangible assets with indefinite useful life that are tested at least annually. For other assets, the Group assesses at each balance sheet date whether there is any indication that any asset, may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the consolidated statement of profit and loss. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factor reflects current market assessment of the time value of money and asset-specific risks factors.

o) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Contingent liabilities are disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be estimated reliably.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

p) Government grants

Government grants are recognised if it is sufficiently certain that the assistance will be granted and the conditions attached to assistance are satisfied. Where the grant relates to specified asset, it is recognised as deferred income, and amortized over the expected useful life of the asset. Other grants are recognised in the consolidated statement of comprehensive income concurrent to the expenses to which such grants relate/ are intended to cover.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at fair amounts and released to the consolidated statement of profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Statement of Cash flow

Statement of cash flow is being prepare in accordance with the requirements of Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows". Cash flows from operating activities is reported using the indirect method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

s) Adjustment pertaining to earlier years

Income from services and other income pertaining to prior years is not disclosed as prior period item for each individual transaction not exceeding Rs. 1.00 lakh and similarly items of expenditure for each individual transaction not exceeding Rs. 1.00 lakh are considered as expenditure of current year.

In respect of other items of income (including operating income and other income) and expenditure relating to prior periods, the net effect of which on retained earning does not exceed 1% of turnover is treated as income/expenditure of current year.

t) Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium account, net of any related income tax benefits.

Other components of equity include the following:

- Re-measurement of defined benefit liability – comprises the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets
- Reserve for contingencies
- Promoter's contribution – fair value of waiver of guarantee fee on debentures (NCD)
- General reserve
- Other transactions recorded directly in other comprehensive income.

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements based on its evaluation has determined that it does not have any significant impact in its financial statements.

MAHANAGAR TELEPHONE NIGAM LIMITED

Notes forming part of consolidated financial statements for the year ended 31 March 2025

4. Property, plant and equipment

(Rs. in crores)

Description	'Freehold land	Buildings	Lines & wires	Cables	Apparatus & plant	Furniture & fixtures	Vehicle	Computers	Office machinery & equipment	Electrical appliances	Asset scrapped/ decommissioned	Total
Gross carrying value												
As at 01 April 2023	18.25	2,024.26	179.86	7,941.43	10,564.72	157.52	13.35	302.65	37.24	157.47	56.06	21,452.81
Additions	-	11.40	0.25	13.41	24.02	0.87	-	1.24	0.03	3.55	3.33	58.09
Adjustments^	(0.00)	(3.02)	-	(0.00)	6.58	0.34	(0.02)	0.22	0.24	0.14	(0.42)	4.04
Exchange differences	-	(0.18)	-	-	(3.21)	(0.03)	(0.09)	(0.01)	(0.00)	-	-	(3.52)
Disposals	-	(2.93)	-	(0.05)	(73.91)	(1.95)	(0.31)	(56.02)	(0.38)	(2.13)	(2.33)	(140.02)
As at 31 March 2024	**18.25**	**2,029.53**	**180.11**	**7,954.79**	**10,518.19**	**156.75**	**12.93**	**248.09**	**37.13**	**159.03**	**56.63**	**21,371.41**
Additions	-	15.39	0.87	7.64	70.97	-	-	0.65	0.03	2.28	0.72	98.55
Adjustments^	(0.00)	(11.16)	-	(0.00)	0.00	(0.04)	(0.11)	(0.00)	(0.00)	(0.36)	(1.73)	(13.39)
Exchange differences	-	0.25	-	-	4.66	0.04	0.02	0.01	0.01	-	-	4.98
Disposals	-	(2.88)	-	(0.04)	(18.26)	(0.76)	(1.16)	(0.93)	(0.14)	(0.50)	(0.66)	(25.33)
As at 31 March 2025	**18.25**	**2,031.13**	**180.97**	**7,962.39**	**10,575.56**	**156.00**	**11.68**	**247.81**	**37.03**	**160.45**	**54.97**	**21,436.21**
Accumulated depreciation												
As at 01 April 2023	-	1,374.02	126.09	7,048.17	9,513.64	150.20	12.60	286.44	35.78	144.19	-	18,691.14
Charge for the year	-	57.09	5.18	72.26	148.64	0.62	0.05	0.79	0.03	1.29	-	285.95
Assets held for sale	-	(6.17)	(0.00)	(0.06)	(60.96)	(1.54)	(0.38)	(53.01)	(0.23)	(1.89)	-	(124.24)
Adjustments^	-	(0.08)	-	-	(2.49)	(0.03)	(0.01)	(0.00)	(0.00)	-	-	(2.61)
Exchange differences												
As at 31 March 2024	-	1,424.86	131.27	7,120.38	9,598.83	149.25	12.26	234.22	35.58	143.59	-	18,850.24
Charge for the year	-	52.06	5.15	65.85	122.19	0.52	0.03	0.92	0.02	1.55	-	248.28
Adjustments^	-	(5.73)	-	(0.04)	(16.36)	(0.77)	(1.21)	(0.89)	(0.17)	(0.83)	-	(25.98)
Exchange differences	**-**	**0.12**	**-**	**-**	**3.63**	**0.04**	**0.02**	**0.01**	**0.01**	**-**	**-**	**3.81**
Impairment loss												
As at 31 March 2025	**-**	**1,471.30**	**136.42**	**7,186.19**	**9,708.29**	**149.04**	**11.10**	**234.25**	**35.44**	**144.31**	**-**	**19,076.35**
Net block as at 31 March 2024	**18.25**	**604.67**	**48.83**	**834.41**	**919.36**	**7.50**	**0.67**	**13.87**	**1.55**	**15.44**	**56.63**	**2,521.18**
Net block as at 31 March 2025	**18.25**	**559.82**	**44.56**	**776.20**	**867.26**	**6.95**	**0.58**	**13.55**	**1.59**	**16.15**	**54.97**	**2,359.86**

^Adjustments includes transfer to/from investment properties.

Notes:

(i) **Contractual obligations**

Refer note 55 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Depreciation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

(iii) Adjustment includes disposal, value difference, spill over etc. identified during the year.

(iv) The title deed of property having carrying value of Rs. 1.24 Crore deposited with bank as security. (Refer Note 26)

(v) The title deed of property having carrying value of Rs. 0.22 Crore deposited with bank as security. (Refer Note 68(a))

(vi) Refer Note76 for impairment

(vi) Title deeds of Properties : Refer note 62 for disclosure of title deeds of Properties.

5. Capital work-in-progress

(Rs. in crores)

	31 March 2025	31 March 2024
Buildings	2.86	6.73
Apparatus & plants	11.02	49.92
Lines & wires	0.70	1.50
Cables	7.83	7.94
Subscribers' installations	1.89	3.99
Air conditioning plants	0.79	3.33
CWIP- Inventory	60.05	63.61
	85.15	**137.02**
Less: provision for :		
Abandoned work	(1.70)	(1.70)
CWIP- Inventory	(51.48)	(49.52)
	31.97	**85.80**

Movement in capital work in progress:

(Rs. in crores)

Particulars	Amount
Capital work-in-progress as at 01 April 2023	**59.49**
Add: additions during the year	62.12
Less: capitalisation during the year	(35.81)
Less: reversal/(provision) for abandoned work	0.00
Capital work-in-progress as at 31 March 2024	**85.80**
Add: additions during the year	23.21
Less: capitalisation during the year	(75.08)
Less: reversal/(provision) for abandoned work	**(1.96)**
Capital work-in-progress as at 31 March 2025	**31.97**

Notes:

(i) Contractual obligations

Refer note 55 for disclosure of contractual commitments.

(ii) Nature of expenses capitalised during the year

(Rs. in crores)

Particulars	31 March 2025	31 March 2024
Salaries and other employee costs	10.54	19.50
Total	**10.54**	**19.50**

(iii) Capital work in progress ageing

(Rs. in crores)

31 March 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.26	6.66	2.05	59.48	83.45
Projects temporarily suspended	-	-	-	1.70	1.70
Total CWIP	**15.26**	**6.66**	**2.05**	**61.18**	**85.15**

(Rs. in crores)

31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	60.81	5.58	6.05	62.88	135.32
Projects temporarily suspended	-	-	-	1.70	1.70
Total CWIP	**60.81**	**5.58**	**6.05**	**64.58**	**137.02**

(iv) No project is overdue or exceeded its original timelines & estimated cost.

6. Right-of-use assets

(Rs. in crores)

Description	Leasehold land	Buildings	Towers	Vehicle	Total
Gross carrying value					
As at 01 April 2023	**355.97**	**66.63**	**261.46**	**0.86**	**684.92**
Additions/Transfer In	0.07	-	1.96	-	2.03
Adjustments during the year	(3.59)	(32.48)	(0.10)	(0.86)	(37.03)
Exchange difference	(0.01)	(0.01)	-	-	(0.02)
Deletions/Transfer Out	-	(0.95)	-	-	(0.95)
As at 31 March 2024	**352.45**	**33.18**	**263.32**	**0.00**	**648.95**
Additions/Transfer In	-	-	-	-	-
Adjustments during the year	0.25	(0.64)	(0.47)	-	(0.86)
Exchange difference/adjustments	0.01	0.02	-	-	0.03
Deletions/Transfer Out	-	-	-	-	-
As at 31 March 2025	**352.71**	**32.56**	**262.85**	**0.00**	**648.12**
Accumulated depreciation					
As at 01 April 2023	**86.90**	**39.73**	**184.27**	**0.86**	**311.77**
Charge for the year	0.95	3.61	38.11	-	42.66
Adjustments during the year	-	-	-	-	-
Exchange difference	2.47	(21.56)	-	(0.86)	(19.94)
As at 31 March 2024	**90.32**	**21.78**	**222.38**	**0.00**	**334.48**
Charge for the year	3.30	2.78	26.33	-	32.41
Adjustments during the year	0.27	-0.77	-	-	(0.50)
Exchange difference	-	0.02	-	-	0.02
As at 31 March 2025	**93.89**	**23.81**	**248.71**	**0.00**	**366.41**
Net carrying value as at 31 March 2024	**262.13**	**11.40**	**40.94**	**0.00**	**314.48**
Net carrying value as at 31 March 2025	**258.82**	**8.75**	**14.14**	**0.00**	**281.72**

Adjustment includes disposal, value difference etc. identified during the year.

Refer note 57 for further details on leases.

7. Investment property

(Rs. in crores)

Description	Gross block					Accumulated depreciation					Net block	Net block
	01 April 2023	Additions	Disposals/ adjustments^	Exchange differences	31 March 2024	01 April 2023	Charge	Disposals/ adjustments^	Exchange differences	31 March 2024	31 March 2024	31 March 2023
Freehold land	0.77	-	-	-	0.77	-	-	-	-	-	0.77	0.77
Leasehold land	16.83	-	0.42	-	17.25	5.13	0.22	0.07	-	5.41	11.83	11.69
Buildings	94.52	0.00	3.43	(0.14)	97.81	38.96	2.22	1.53	(0.06)	42.66	55.15	55.56
Total	**112.12**	**0.00**	**3.85**	**(0.14)**	**115.83**	**44.09**	**2.44**	**1.60**	**(0.06)**	**48.07**	**67.76**	**68.03**

**Direct operating expenses attributable to investment property cannot be specifically identified with properties, although management does not expect them to be material.*

(Rs. in crores)

Description	Gross block					Accumulated depreciation					Net block	Net block
	01 April 2024	Additions	Disposals/ adjustments^	Exchange differences	31 March 2025	01 April 2024	Charge	Disposals/ adjustments^	Exchange differences	31 March 2025	31 March 2025	31 March 2024
Freehold land	0.77	0.00	-	-	0.77	-	-	-	-	-	0.77	0.77
Leasehold land	17.25	-	0.02	-	17.27	5.41	0.58	-0.07	-	5.93	11.33	11.83
Buildings	97.81	1.78	0.07	0.20	99.85	42.66	2.42	1.02	0.09	46.19	53.66	55.15
Total	**115.83**	**1.78**	**0.09**	**0.20**	**117.89**	**48.07**	**3.01**	**0.95**	**0.09**	**52.12**	**65.77**	**67.76**

^Disposals/adjustments includes transfer from/to property, plant and equipment.

(i) Amount recognised in profit and loss for investment property

(Rs. in crores)

	31 March 2025	31 March 2024
Rental income	382.30	374.31
Direct operating expenses that generated rental income*	-	-
Direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment property	**382.30**	**374.31**

(ii) Leasing arrangements

(Rs. in crores)

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. However all the leases are cancellable at the option of lessee, hence there is no lease disclosure given, as required by Ind AS 116 "Leases".

(iii) Fair value of investment property

(Rs. in crores)

Particulars	31 March 2025	31 March 2024
Fair value	4,350.75	4,350.75

The Group reviews fair values annually. The following factor have been considered for determination of fair value -

(a) **Leasehold properties -** These land properties have been allotted to Group on perpetual lease from the government for carrying out operations in normal course of business. The Group constantly reviews the utilisation of its facilities and any surplus properties are considered for letting out to earn rental income. Being leasehold properties, the Group is restricted from selling them in an active market, however, such properties can be converted into freehold properties at circle rates at which the government (or other bodies representing the government) would sell such properties in an active market. This is considered to be representative of the fair value of properties as at reporting date.

(b) **Freehold land -** The circle rates are considered to be a fair representation at which such properties can be sold in an active market.

(c) **Buildings -** In case of constructed building, cost of construction adjusted with the present day price index (after consideting depreciation thereon) has been taken as the basis of valuation.

8. Intangible assets

(Rs. in crores)

	Software	One time spectrum fees	Total
Gross carrying value			
At 01 April 2023	133.51	6,564.00	6,697.51
Additions	0.45	-	0.45
Disposals/adjustments	-	-	-
Balance as at 31 March 2024	**133.96**	**6,564.00**	**6,697.96**
Additions	0.08	-	0.08
Disposals/adjustments	(0.45)	-	(0.45)
Balance as at 31 March 2025	**133.59**	**6,564.00**	**6,697.59**
Accumulated amortisation			
At 01 April 2023	126.43	4,806.75	4,933.19
Amortisation charge for the year	6.65	328.64	335.30
Adjustments	-	-	-
Balance as at 31 March 2024	**133.08**	**5,135.40**	**5,268.49**
Amortisation charge for the year	0.25	328.20	328.45
Adjustments	-0.45	-	(0.45)
Balance as at 31 March 2025	**132.89**	**5,463.60**	**5,596.50**
Net carrying value as at 31 March 2024	**0.87**	**1,428.60**	**1,429.47**
Net carrying value as at 31 March 2025	**0.69**	**1,100.40**	**1,101.09**

Notes:

(i) **Contractual obligations**

Refer note 55 for disclosure of contractual commitments for the acquisition of intangible assets.

(ii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

(iii) There was no expenditure incurred on research and development during the current and comparative year.

(iv) The life of 3G Spectrum Licence will be expired on 07.08.2028.

9. Investments accounted for using the equity method

(Rs. in crores)

	Number of shares		Amount	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
In equity instruments (At Cost)				
In Joint ventures (unquoted)				
MTNL STPI IT Services Limited (face value of Rs. 10 each fully paid up)	22,82,000	22,82,000	3.51	2.28
			3.51	**2.28**
Add: share of from joint ventures accounted through equity method			0.11	1.23
Investments accounted for using the equity method			**3.62**	**3.51**

Notes:

(a) Refer note 51 for detailed information on interests in associates and joint ventures.

(b) As per article 12.19 (b) of Shareholders' agreement together with para 27 of the amendatory agreement (together referred to as 'amended agreement') entered into between MTNL, TCIL, TCL and NVPL (Nepal), together referred to as 'Investors' pursuant to their investment in United Telecom Limited ('UTL'), in case NVPL (the local partner in Nepal) decides to sell its stake to any third party, it requires prior consent of other Investors. Further, at any such point of time or otherwise also, as per exit clause in the agreement, any of the other Investors (India partners) other than NVPL can exit the arrangement after 2 years from the amended agreement by issuing 3 months' notice. Pursuant to this exit clause, the Company had issued notice to UTL on 30 January, 2018 for making an exit. The notice were valid up to 30 April 2018 and subsequent to 30 April 2018, the local partner had sought time extension of another 3 months i.e. till 30 July, 2018 for giving effect to the exit requested by the Company. However M/S NVPL vide its letter dated 31 March 2021, has sent a draft SPA and requested MTNL & other associates to submit response in respect of the draft Share Purchase Agreement ('SPA') for acquisition of shares held by Indian Investors at face value of Nepalese Rupees 100 per share and also CFO of UTL reminded on email on 17-6-21 to return agreed SPA. MTNL and other partners submitted their consent to the SPA in September 2021. In view of inordinate delay in closing the issue all the Indian partners met in May, 2023 and decided to explore legal option from local counsel of Nepal for enforcing the exit option. There is no further progress for giving effect to the exit clause from M/s NVPL. The net worth of the company is already negative and there is no cash flow to support the investment and the company has not been involved in revenue generating activities since long period and even has not paid duties and taxes for the past years. The repatriation of funds seems to be impossible unless clearance of dues of local government. Accordingly, the investment of Rs. 35.85 Crore was tested for impairment in line with Ind AS 28 and impaired to nil value. However, the efforts to recover the investment proceeds as per exit clause will continue, as is being done, and the same shall be accounted for in the year of receipt, in the event of successful recovery."

(c) The physical share certificates of the subsidiary companies, namely Millennium Telecom Limited, Mahanagar Telephone Mauritius Limited and 30,68,200 shares of United Telecom Limited (Associate Company) are not traceable. Efforts are being made to trace the share certificates.

10. Loans

(Rs. in crores)

	'31 March 2025 Non-current	'31 March 2024 Non-current
Secured, considered good		
Loan to employees	2.15	2.36
Unsecured, considered good		
Security deposits with other departments		
Receivable from DoT	-	-
Receivable from BSNL	-	-
	2.15	2.36
Less: allowance for credit impaired loans	(0.04)	(0.04)
	2.11	**2.32**

Notes:

(i) No loans are due from director or other officers of the Group either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is partner, director or a member.

(ii) Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 49 - Financial risk management for assessment of expected credit losses

11. Other financial assets

(Rs. in crores)

	'31 March 2025 Non-current	'31 March 2024 Non-current
Bank deposits with more than 12 months maturity	43.77	41.51
Unsecured, considered good		
Security deposits with other departments	221.65	213.91
Receivable from BSNL	235.20	12.49
Credit impaired		
Security deposits with other departments	3.73	3.73
	504.34	**271.64**
Less: allowance for credit impaired loans	(3.51)	(3.73)
Bank Balance under Court Lien	-	-
	500.83	**267.91**

Notes:

(i) Rs. 43.77 crores (31 March 2024 - Rs. 41.51 crores) pledged with the banks for issuing bank guarantees to third parties.

(ii) Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 49 - Financial risk management for assessment of expected credit losses

12. Deferred tax assets (net)

(Rs. in crores)

	31 March 2025	31 March 2024
Deferred tax assets arising on account of :		
Property plant and equipment	0.00	0.00
	0.00	**0.00**

(i) Movement in deferred tax assets for year ended 31 March 2025:

Particulars	'01 April 2024	Recognised in other comprehensive income	Recognised in statement of profit and loss	'31 March 2025
Non-current assets				*
Property plant and equipment	0.00	0	0	0.00
Total	**0.00**	**-**	**(0.00)**	**0.00**

* Rs.15463/-

13. Income tax assets (net)

(Rs. in crores)

	31 March 2025	31 March 2024
Advance income tax (net of provision)	501.41	600.19
	501.41	**600.19**

14. Other non-current assets

(Rs. in crores)

	31 March 2025	31 March 2024
Capital advances (net of provision)	0.84	2.41
Deferred lease income	20.78	27.36
Balances with statutory authorities	2.54	2.54
Prepaid expenses	0.82	1.43
	24.98	**33.74**

15. Inventories

(Rs. in crores)

	31 March 2025	31 March 2024
(Valued at lower of cost or Net Realisable value, unless otherwise stated)		
Exchange equipments	29.41	30.80
Mobile handsets & sim cards	3.04	2.72
WLL equipments	0.08	0.08
Telephones & telex spares	0.09	0.09
	32.61	**33.70**
Less : provision for obsolete stores	(26.68)	(27.91)
	5.94	**5.78**

16. Trade receivables

(Rs. in crores)

	31 March 2025	31 March 2024
Trade receivables		
- Secured, considered good	90.08	88.86
- Unsecured, considered good	343.49	383.33
- Credit impaired	1,116.48	1,127.84
Unbilled receivables*	239.54	173.92
	1,789.59	**1,773.94**
Less: Allowance for impairment		
Unsecured considered good (expected credit loss)	(113.32)	(133.68)
Credit impaired **	(1,116.48)	(1,127.84)
	559.79	**512.42**

* Represents contract assets under Ind AS 115. Refer note 57 for details.

** Expected Credit Loss on unbilled revenue amounts to Rs. 13.64 Crore (31 March 2024 - Rs. 4.08 Crore)

Notes:

(i) Trade receivables have been pledged as security for liabilities, for details refer note 59.

(ii) No trade or other receivable are due from director or other officers of the Group either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is partner, director or a member.

(iii) Trade receivables are secured to the extent of security deposits received from customers, with contractual amounts as at 31 March 2025 of Rs.90.08 crores (31 March 2024 - Rs. 88.86 crores) and related amortised cost as at 31 March 2025 of Rs. 40.33 crores (31 March 2024 - Rs. 40.14 crores).

(iv) 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.

(v) The carrying values of trade receivables are considered to be a reasonable approximation of fair values.

(vi) Ageing schedule of trade receivables

(Rs. in crores)

31 March 2025	Outstanding from the transaction date					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	66.87	82.40	24.94	21.99	235.78	**431.99**
Undisputed Trade Receivables – which have significant increase in credit risk	8.52	9.19	16.24	33.79	412.43	**480.17**
Undisputed Trade Receivables – credit impaired	0.58	2.97	3.77	4.41	626.16	**637.88**
Disputed Trade Receivables–considered good	-	-	-	-	-	**-**
Undisputed - unbilled revenue - considered good	239.54	-	-	-	0.00	**239.54**
Total	**315.51**	**94.56**	**44.96**	**60.19**	**1,274.38**	**1,789.59**
Less Provision for doubtful debts						**-1,229.80**
Net Trade receivable						**559.79**

31 March 2024	Outstanding from the transaction date					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	74.14	71.20	26.13	39.91	141.86	**353.25**
Undisputed Trade Receivables – which have significant increase in credit risk	10.08	8.61	36.68	27.08	39.25	**121.70**
Undisputed Trade Receivables – credit impaired	-	-	-	1.32	1,123.72	**1,125.05**
Disputed Trade Receivables–considered good	-	-	-	-	-	**-**
Undisputed - unbilled revenue - considered good	173.92	-	-	-	0.00	**173.92**
Total	**258.14**	**79.81**	**62.81**	**68.32**	**1,304.84**	**1,773.92**
Less Provision for doubtful debts						**-1,261.49**
Net Trade receivable						**512.42**

17. Cash and cash equivalents

(Rs. in crores)

	31 March 2025	31 March 2024
Balances with banks in current accounts	181.07	79.48
Cheques, drafts in hand	0.16	0.18
Cash on hand	0.09	0.09
Bank deposits with original maturity of less than 3 months	-	5.88
Less: provision for doubtful bank balances	(0.56)	(0.56)
	180.76	**85.07**

The carrying values are a reasonable approximate of their fair values.

18. Other bank balances

(Rs. in crores)

	31 March 2025	31 March 2024
Bank deposits maturity for more than 3 months but less than 12 months	29.15	23.36
Balance with banks in escrow accounts	0.00*	-
	29.16	**23.36**

* Rs. 21,216/-

19. Loans

(Rs. in crores)

	31 March 2025 Current	31 March 2024 Current
Secured, considered good		
Loan to employees	2.02	2.59
JVs	-	-
Unsecured, considered good		
Loan to employees	1.51	1.43
	3.52	**4.02**
Less: Allowance for credit impaired loans	**(1.94)**	**(1.98)**
	1.58	**2.04**

Notes:

(i) Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost.

20. Other financial assets

(Rs. in crores)

	31 March 2025 Current	31 March 2024 Current
Amount recoverable		
IUC operators	394.00	472.75
DoT	232.76	7.16
Others	442.95	525.65
Receivable from BSNL	3,329.84	3,556.58
Security deposits with other departments	18.73	27.85
	4,418.28	**4,589.99**
Less: provision for credit impaired receivables	(110.63)	(90.95)
	4,307.65	**4,499.04**

Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost.

(ii) For details on settlement of receivable from BSNL, refer note 69.

(iii) For details on settlement of receivable from DoT, refer note 74.

21. Current tax liabilities (net)

(Rs. in crores)

	31 March 2025	31 March 2024
Current tax liabilities (net of advance income tax)	-	-
	-	**-**

22. Other current assets

(Rs. in crores)

	31 March 2025	31 March 2024
Advances to suppliers	34.33	38.88
Deferred lease income	12.60	8.49
Advance against future settlements towards DoT		
Balances with statutory authorities	214.89	211.29
Prepaid expenses	15.09	16.30
Other recoverables	2.12	2.74
	279.03	**277.70**
Less: provision for doubtful advances	(21.31)	(18.60)
	257.72	**259.10**

23. Assets held for sale

(Rs. in crores)

	31 March 2025	31 March 2024
Property, plant and equipment (refer note (a))	10.36	4.06
Investment in equity method acconted investee		
Investments in United Telecom Limited (refer note (b))	35.85	35.85
Less: share of loss share from associates accounted using equity method	(35.85)	(35.85)
	10.36	**4.06**

Notes:

(a) As of March 31, 2025, eight properties, two in Mumbai unit and six in Delhi unit, have been classified as Non-Current Assets held for sale. The carrying values of these properties are Rs. 8.69 Crores (fair values Rs. 416.49 Crores). By virtue of Union Cabinet approval vide OM dated 02.08.2022 for the monetization of land and buildings, management is actively engaged in the process of monetisation of eligible assets. The generated proceeds will be directed towards BSNL/MTNL to address debt, capital expenditures (CAPEX), and other financial obligations. The aim of these monetization endeavors is to strengthen MTNL's fiscal health, encompassing debt servicing, funding of capital expenditures, and provision for various financial needs to bolster the company's financial position.

In Mumbai unit, the tender to sell the scrapped assets (switches, BTS batteries etc.) having net the carrying value of Rs. 1.68 Crore is under process for auction at the year March 31, 2025 and favourable resolution is expected. Therefore, such assets continue to classify as held for sale.

(b) As per article 12.19 (b) of Shareholders' agreement together with para 27 of the amendatory agreement (together referred to as 'amended agreement') entered into between MTNL, TCIL, TCL and NVPL (Nepal), together referred to as 'Investors' pursuant to their investment in United Telecom Limited ('UTL'), in case NVPL (the local partner in Nepal) decides to sell its stake to any third party, it requires prior consent of other Investors. Further, at any such point of time or otherwise also, as per exit clause in the agreement, any of the other Investors (India partners) other than NVPL can exit the arrangement after 2 years from the amended agreement by issuing 3 months' notice.

Pursuant to this exit clause, the Company had issued notice to UTL on 30 January, 2018 for making an exit. The notice were valid up to 30 April 2018 and subsequent to 30 April 2018, the local partner had sought time extension of another 3 months i.e. till 30 July, 2018 for giving effect to the exit requested by the Company. However M/S NVPL vide its letter dated 31 March 2021, has sent a draft SPA and requested MTNL & other associates to submit response in respect of the draft Share Purchase Agreement ('SPA') for acquisition of shares held by Indian Investors at face value of Nepalese Rupees 100 per share and also CFO of UTL reminded on email on 17-6-21 to return agreed SPA. MTNL and other partners submitted their consent to the SPA in September 2021. In view of inordinate delay in closing the issue all the Indian partners met in May, 2023 and decided to explore legal option from local counsel of Nepal for enforcing the exit option. Accordingly, the investment has been classified as 'held for sale' in the financial statements for year ended 31 March 2023.

There is no further progress for giving effect to the exit clause from M/s NVPL. The net worth of the company is already negative and there is no cash flow to support the investment and the company has not been involved in revenue generating activities since long period and even has not paid duties and taxes for the past years. The repatriation of funds seems to be impossible unless clearance of dues of local government. Accordingly, management has assessed that the criteria as per Para 7-9 considered for classification of UTL investment for held for sale based on the exit clause as per draft SPA no longer exists.

In view of above, the investment which was classified as "Assets held for sale" has been reclassified as Investment for the year ended 31 March 2025 and the investment further tested for impairment in line with Ind AS 28 and impaired to the zero value having an impact of Rs 35.85 Crs on the statement of Profit & Loss for the year ended March 31, 2025. However, the efforts to recover the investment proceeds as per exit clause will continue, as is being done, and the same shall be accounted for in the year of receipt, in the event of successful recovery.

24. Equity share capital

(Rs. in crores)

	31 March 2025	31 March 2024
Authorised capital		
3,500,000,000 (previous year 3,500,000,000) equity shares of Rs. 10 each	3,500.00	3,500.00
650,000,000 (previous year 650,000,000) preference shares of Rs. 100 each	6,500.00	6,500.00
	10,000.00	**10,000.00**
Issued, subscribed and fully paid up		
630,000,000 (previous year 630,000,000) equity shares of Rs. 10 each fully paid up	630.00	630.00
	630.00	**630.00**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31 March 2025		31 March 2024	
	No. of shares	(₹ in crores)	No. of shares	(₹ in crores)
Equity shares at the beginning of the year	63,00,00,000	630.00	63,00,00,000	630.00
Changes during the year	-	-	-	-
Equity shares at the end of the year	**63,00,00,000**	**630.00**	**63,00,00,000**	**630.00**

b) Rights/preferences/restrictions attached to equity shares

The Parent has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Parent declares and pays dividends in Indian rupees. In the event of liquidation of the Parent, the holders of equity shares will be entitled to receive remaining assets of the Parent, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Parent

	As on 31 March 2025		As on 31 March 2024	
	No. of shares	(% in crores)	No. of shares	(% in crores)
Equity shares of Rs. 10 each fully paid up				
President of India	35,43,78,740	56.25	35,43,78,740	56.25
LIC including LIC Fortune Plus secured Fund	8,26,59,957	13.12	8,26,59,957	13.12

d) Details of promoter shareholding

Name of promoter	As on 31 March 2025			As on 31 March 2024		
	Number of shares	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
President of India	35,43,78,740	56.25	0.00%	35,43,78,740	56.25	0.00%

e) There are no shares issued for consideration other than cash and no shares have been bought back in last five years.

f) There are no shares reserved for issue under options or other purpose.

25. Other equity

(Rs. in crores)

	31 March 2025	31 March 2024
Retained earnings		
As per last balance sheet	(26,402.72)	(23,119.97)
Add : Net profit/ (loss) for the year	(3,327.69)	(3,267.52)
Add : Impact on transition to Ind AS 116	-	-
Add: Remeasurements of employee benefit obligations	(17.85)	(15.22)
	(29,748.26)	**(26,402.72)**
Other reserves		
General reserve		
As per last balance sheet	0.07	0.07
Addition/Deletion during the year	-	-
As at the end of the year	**0.07**	**0.07**
Securities premium		
As per last balance sheet	665.00	665.00
Addition/Deletion during the year	-	-
As at the end of the year	**665.00**	**665.00**
Contingency reserve		
As per last balance sheet	243.22	243.22
Addition/Deletion during the year	-	-
As at the end of the year	**243.22**	**243.22**
Promoter's Contribution		
As per last balance sheet	1,226.29	728.78
Addition/Deletion during the year	68.52	497.51
As at the end of the year	**1,294.81**	**1,226.29**
	2,203.11	**2,134.59**

Other comprehensive income		
As per last balance sheet	(5.98)	(2.04)
Foreign currency translation for current year	2.15	(3.93)
	(3.82)	**(5.98)**
	2,199.29	**2,128.61**
	(27,548.97)	**(24,274.10)**

Nature and purpose of other reserves:

(i) Securities premium

Securities premium represents premium received on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act.

(ii) Contingency reserve

The Company created this reserve for unforeseen tax demands/disallowances by Income tax department under section 80IA of the Income Tax Act, 1961. (Refer Note 67)

(iii) Promoter's Contribution

During the previous financial years, MTNL had issued bonds on which there is waiver of Government Guarantee Fees of 0.9% per annum for the tenure of bonds issued. As per the provision of Ind AS 109, as the fees payable to the government are waived off, it would impact the initial fair value of the bond. The notional benefit of Guarantee Fees amounting to Rs. 68.52 Crores is accounted in Financial Year 2024-25 as promoter contribution received under other equity.

(iv) Other Comprehensive Income (OCI)

The Group has recognised remeasurements benefits on defined benefits plans through Other comprehensive income.

(v) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed-off.

26. Borrowings

(Rs. in crores)

		31 March 2025 Non-current	31 March 2024 Non-current
Secured			
Term loans (net of current maturities)			
From banks		398.20	1,013.16
Finance lease obligations			
Obligations under finance leases		-	-
	A	**398.20**	**1,013.16**
Unsecured			
Debentures			
Debentures - Series 8D [55599 number of 7.51% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]		521.65	518.87
Debentures - Series 8C [257000 number of 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]		2,417.03	2,404
Debentures - Series 8B [105500 number of 7.61% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]		993.54	988
Debentures - Series 8A [248000 number of 7.59% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.01 crore each]		2,336.12	2,323
Debentures - Series 7E [634 number of 7.75% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]		59.86	59.53
Debentures - Series 7D [3,615 number of 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]		341.51	339.64
Debentures - Series 7C [16,176 number of 7.78% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]		1,528.05	1,519.61
Debentures - Series 7B [27,579 number of 7.87% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]		2,607.97	2,593.44

		31 March 2025 Non-current	31 March 2024 Non-current
Debentures - Series 7A [61,096 number of 8.00% Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]		5,780.90	5,749.10
Debentures - Series 6 [21,386 number of 6.85 % Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]		2,137.65	2,137.49
Debentures - Series 5 [43,614 number of 7.05 % Redeemable Non Convertible Debentures (in the form of Bonds) of Rs. 0.10 crore each]		4,359.45	4,359.11
	B	23,083.73	22,992.61
Total Long Term Borrowings (A + B)		**23,481.93**	**24,005.77**
Amount disclosed under other financial liabilities:			
Current maturities of long-term debt		2,146.16	1,789.19
Interest accrued (refer note 35)		800.87	587.56

Notes:

(i) No loans have been guaranteed by the directors and others.

(ii) Due to default in repayment of bank instalment/interest amounting Rs. 1848.96 crores, all loan accounts from banks have become Non-performing assets except one of the lender bank as on 31.03.2025. The company has initiated with the lender banks for possible resolution and settlement of such loans. The outstanding term loans of the lending banks, which have called for repayment, have been shown under current maturities in short-term current borrowings.

(iii) These facilities are securred by floating first pari passu charge on all movable fixed assets (classified under property plant and equipment) and current assets except Leasehold land given as mortgage to Bank of India and Union Bank of India given below . Further, for securing the above term loans letter of comfort was issued by DoT.

(iv) Redeemable Non Convertible Debentures are guaranteed by Government of India.

(v) Refer note 48 - Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

(vi) Leasehold given as mortgage to Bank of India and Union Bank of India:

(a) Goregaon Telephone Exchange & Staff Quarters CTS No-1387 Pt. & 1388 Pt. S V Road, Goregaon (West),Mumbai-400062 mortgage to UBI

(b) Malabar Telephone Exchange at CTS No-256, Dr. A G Bell Road, Malabar Hills, Mumbai-400006 mortgage to BOI"

(vii) Reconciliation of financial liabilities arising from financing activities: **(Rs. in crores)**

Particulars	Lease liabilities	Long term borrowings	Short-term borrowings	Total
Net debt as at 1 April 2024	**176.94**	**24,024.64**	**4,674.32**	**28,875.90**
Recognition of lease liabilities	(10.22)	-	-	(10.22)
Cash flows:				-
- Proceeds	-	6,660.99	-	6,660.99
- Repayment	(65.31)	(3,996.31)	(441.46)	(4,503.08)
Interest expense	12.06	2,240.42	426.84	2,679.32
Interest paid	-	(2,049.70)	(426.84)	(2,476.54)
Exchange difference	-	(497.51)	-	(497.51)
Interest accrued (including unmortised processing fee)	-	-	-	-
Net debt as at 31 March 2025	**113.46**	**26,382.52**	**4,232.86**	**30,728.85**
Recognition of lease liabilities	(0.27)	-	-	(0.27)
Cash flows:				
- Proceeds	-	-	2,507.39	2,507.39
- Repayment	(48.76)	(258.32)	-	(307.08)
Interest expense	8.88	2,366.61	531.05	2,906.54
Interest paid	-	(1,993.34)	(531.05)	(2,524.38)
Exchange difference	-	-	-	-
Interest accrued (including unmortised processing fee)	-	(68.52)	-	(68.52)
Net debt as at 31 March 2025	**73.31**	**26,428.96**	**6,740.25**	**33,242.52**

{viii) For repayment terms of the outstanding long-term borrowings (including current maturities) refer the table below:

(A) As on 31 March 2025 **(Rs. in crores)**

Name of bank	Amount outstanding	Non-Current Maturities	Current Maturities	Overdue Instalment	Overdue Interest	No. of instalments	Date of NPA	Rate of interest
State Bank of India	313.90	–	313.90	313.90	36.15	Over due instalments of Rs 313.90 crore	9/28/2024	12.10%
Union Bank of India	88.45	–	88.45	88.44	6.39	Over due instalments of Rs 88.45 crore	8/12/2024	10.45%
Union Bank of India (e-Andhra Bank)	77.11	–	77.11	77.11	7.40	Over due instalments of Rs 77.11 crore	8/12/2024	10.62%

Name of bank	Amount outstanding	Non-Current Maturities	Current Maturities	Overdue Instalment	Overdue Interest	No. of instalments	Date of NPA	Rate of interest
Union Bank of India (e-orporation Bank)	84.37	–	84.37	84.36	6.08	Over due instalments of Rs 88.37 crore	8/12/2024	10.16%
Punjab & Sindh Bank	87.57	–	87.57	87.57	5.90	Over due instalments of Rs 87.57 crore	10/8/2024	9.44%
Punjab National Bank (e-United Bank)	34.37	–	34.37	34.37	2.66	Over due instalments of Rs 34.37 crore	9/10/2024	8.79%
Punjab National Bank (e-Oriental Bank of Commerce)	197.79	–	197.79	150.00	14.93	Over due instalments of Rs 150 crore and balance repayment due in 1 instalments of 47.49 Crores in Jun-25	9/10/2024	8.75%
Bank of India LCB	201.34	–	201.34	112.50	12.67	Over due instalments of Rs 112.5 crore and balance repayment due in 2 instalments of Rs 44.42 cr in Jun-25 and Sep-25	9/4/2024	8.71%
UCO bank	245.83	–	245.83	245.83	20.56	Over due instalments of Rs 245.83 crore	6/28/2024	9.93%
"Union Bank of India (e-Andhra Bank)"	106.54	–	106.54	67.50	9.64	Over due instalments of Rs 67.50 crore and balance repayment due in 2 instalments ,22.5 Crores in May-25 & Rs 16.54 cr in Aug-25	8/12/2024	10.45%

Name of bank	Amount outstanding	Non-Current Maturities	Current Maturities	Overdue Instalment	Overdue Interest	No. of instalments	Date of NPA	Rate of interest
Punjab & Sindh Bank	80.78	–	80.78	45.00	6.05	Over due instalments of Rs 45 crore and balance repayment due in 2 instalments, 15 Crores in May 25 & Rs 20.78 crore in Aug-25	10/8/2024	9.30%
"Union Bank of India (e-orporation Bank)"	248.91	–	248.91	150.00	21.09	Over due instalments of Rs 150 crore and balance repayment due in 2 instalments 37.5 Crores in Jun-24 & 61.41 crore in Sep-25	8/12/2024	10.54%
Bank of India CGO	298.20	98.20	200.00	99.59	25.45	Over due instalments of Rs 99.59 crore and balance repayment due in 7 instalments, 25 Crores in each quarter from Jun-25 to Sep-26 & 48.61 crore in Dec-26	9/4/2024	9.85%
Union Bank of India	479.20	300.00	179.20	79.19	38.63	Over due instalments of Rs 79.20 crore and balance repayment due in 16 Instalments of Rs 25 crore From Apr-25 to Dec-28	8/12/2024	10.46%

Name of bank	Amount outstanding	Non-Current Maturities	Current Maturities	Overdue Instalment	Overdue Interest	No. of instalments	Date of NPA	Rate of interest
Less: Adjustment for processing fees on long term loans recognised using effective interest rate	–	–						
Less: Current maturities of long term debt	(2,146.16)							
Long term borrowings	**398.20**							

Rate of interest- The Company's total borrowings from banks and others have a effective weighted average rate of 10.17% per annum calculated using the interest rate effective as on 31 March 2025.

(b) As on 31 March 2024 **(Rs. in crores)**

Name of bank	Amount outstanding (in crores)	Non-Current Maturities	Current Maturities	No. of instalments	Rate of interest
State Bank of India	313.90	-	313.90	Repayment due in 2 instalments 135 Crores/quarter (2 Instalments)From Jun-24 to Sep-24 & Rs 43.90 cr in Sep-24	8.89%
Union Bank of India	136.86	-	136.86	Repayment due in 2 instalments 50 Crores/quarter (2 Instalments)From May-24 to Aug-24 & Rs 36.86 cr in Sep-24	9.65%
"Union Bank of India (e-Andhra Bank)"	77.10	-	77.10	Repayment due in 2 instalments 25 Crores/quarter (2 Instalments)From Jun-24 to Sep-24. & Rs 27.10 cr in Sep-24	9.80%
"Union Bank of India (e-Corporation Bank)"	130.74	-	130.74	Repayment due in 2+3 instalments 6.25 Cr in Jun-24 & 40.37 in Sep-24 (2 Instalment) 37.5 Crores/quarter (1 Instalments)on Apr-24 6.25 Cr in Jul-24 & 40.38 in Oct-24 (2 instalment) "	9.65%
Punjab & Sindh Bank	123.75	-	123.75	Repayment due in 3 instalments spread 37.5 Crores/quarter (3 Instalments) From Apr-24 to Oct-24 & Rs 11.25 cr in Oct-24	8.60%

Name of bank	Amount outstanding (in crores)	Non-Current Maturities	Current Maturities	No. of instalments	Rate of interest
"Punjab National Bank (e-United Bank)"	56.87	-	56.87	Repayment due in 2 instalments 22.5 Crores/quarter (2 Instalments)From Jun-24 to Sep-24 & Rs 11.87 cr in Sep-24	8.50%
"Punjab National Bank (e-Oriental Bank of Commerce)"	197.79	47.79	150.00	Repayment due in 5 instalments 37.5 Crores/quarter (5 Instalments)From Jun-24 to Jun-25 & Rs 10.29 cr in Jun-25	8.65%
Bank of India	236.45	86.45	150.00	Repayment due in 6 instalments 37.5 Crores/quarter (6 Instalments)From Jun-24 to Sep-25 & Rs 11.45cr in Sep-25	8.85%
UCO bank	282.74	132.75	149.99	Repayment due in 7 instalments 37.5 Crores/quarter (7 Instalments)From May-24 to Nov-25 & Rs 20.24 cr in Nov-25	9.60%
"Union Bank of India (e-Andhra Bank)"	129.04	39.04	90.00	Repayment due in 6 instalments 22.5 Crores/quarter (5 Instalments)From May-24 to May-25 & Rs 16.54 cr in Aug-25	9.80%
Punjab & Sindh Bank	95.32	35.32	60.00	Repayment due in 6 instalments 15 Crores/quarter (6 Instalments)From May-24 to Aug-25 & Rs 5.32 cr in Aug-25	8.95%
Union Bank of India (e-Corporation Bank)	248.91	98.91	150.00	Repayment due in 6 instalments 37.5 Crores/quarter (6 Instalments)From Jun-24 to Sep-25 & Rs 23.91 cr in Sep-25	9.65%
Bank of India	298.20	198.23	99.97	Repayment due in 11 instalments 25 Crores/quarter (11 Instalments)From Jun-24 to Dec-26 & 23.20 in Dec-26	9.95%
Union Bank of India	475.00	375.00	100.00	25 Crores/quarter (11 Instalments)From Jun-24 to Dec-28	10.40%
Less: Adjustment for processing fees on long term loans recognised using effective interest rate	(0.33)				
Less: Current maturities of long term debt	(1,789.19)				
Long term borrowings	**1,013.16**				

Rate of interest- The Company's total borrowings from banks and others have a effective weighted average rate of 9.21% per annum calculated using the interest rate effective as on 31 March 2024.

***Debentures-Series 8D**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.51% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 06th March 2034. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 8C**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 07th November 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 8B**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.61% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 24th August 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 8A**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.59% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 20th July 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7E**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.75% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 24th March 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7D**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.80% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 24th February 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7C**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.78% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 10th February 2033. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7B**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.87% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 01st December 2032. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 7A**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 8.00% Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 15th November 2032. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 6**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 6.85 % Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 20th December 2030. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

***Debentures-Series 5**

The Debentures as mentioned above are Government of India guaranteed, unsecured, listed, 7.05 % Redeemable Non Convertible Debentures (in the form of Bonds) having tenure/maturity period of 10 years with redemption date being 11th October 2030. The coupon payment frequency is semi annual interest payment. There was no instalment due as on the reporting date.

(ix) Government of India approved the financial support to the Company in the year 2014 and on surrender of Broadband Wireless Access (BWA) Spectrum by MTNL, upfront charges paid by the Company in the year 2011 for such spectrum amounting to Rs. 4,533.97 crores were agreed to be funded by way of issuance of debentures by the Company on behalf of Government of India (GOI) and for which GOI provided sovereign guarantee with attendant condition for repayment of principal on maturity as well as the interest payments through DOT. Accordingly, the Company does not have any liability towards repayment of principal and interest on the bonds issued and has been offset against the amount recoverable from DoT of equivalent amount. Out of Rs. 4,533.97 crores, Non Convertible Debentures of Rs. 3,668.97 crores were redeemed during the current financial year and Rs. 865 Crores were redeemed previous year.

27. Lease liabilities

(Rs. in crores)

	31 March 2025 Non-current	31 March 2024 Non-current
Lease liabilities	54.42	67.37
	54.42	**67.37**

28. Other financial liabilities

(Rs. in crores)

	31 March 2025 Non-current	31 March 2024 Non-current
Security deposits	166.83	172.76
	166.83	**172.76**

Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

29. Long-term provisions

(Rs. in crores)

	31 March 2025	31 March 2024
Provision for employee benefits		
Provision for leave encashment	238.39	221.64
Provision for pension	96.67	96.68
Provision for gratuity	48.92	48.92
Provision for asset retirement obligations	17.67	17.95
	401.66	**385.20**

(i) Information about individual provisions and significant estimates

(a) **Provision for asset retirement obligations:** The Group as part of its business installs wireless telecommunication towers and other equipments for facilitating telecommunication services to its customers and is under an obligation to decommission the tower and replenish the site at end of useful life of the tower and other equipment. For the purpose of same Appendix A to Ind AS 16, "Property, Plant and Equipment" states measurement of Property, plant and equipment to include initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The Group has estimated the cost of dismantling based on independent bids received from open market and the same have been escalated using the expected inflation rate (6% per annum) and discounted at the rates prevailing at each period end date.

(b) For disclosures required related to provision for employee benefits, refer note 52 - Employee benefit obligations

(ii) Movement in provision related to asset retirement obligations during the financial year:

(Rs. in crores)

	31 March 2025	31 March 2024
As at beginning of reporting period	17.95	17.76
Additions during the year	0.37	0.04
Amounts used during the year on account of dismantled towers	(0.90)	(0.19)
Increase in the discounted amount arising from the passage of time and effect of any change in discount rate	0.25	0.35
	-	-
As at end of reporting period	**17.67**	**17.95**

30. Deferred tax liabilities (net)

(Rs. in crores)

	31 March 2025	31 March 2024
Deferred tax liability arising on account of :		
Difference in carrying value of property, plant & equipment between accounts and tax	5.60	6.24
	5.60	**6.24**

Notes:

(i) Movement in deferred tax liabilities for year ended 31 March 2025:

Particulars	1 April 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2025
Non-current assets				
Property plant and equipment	6.24	(0.72)	0.08	5.60
Total	**6.24**	**(0.71)**	**0.08**	**5.60**

(ii) Movement in deferred tax liabilities for year ended 31 March 2024:

Particulars	1 April 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2024
Non-current assets				
Property plant and equipment	6.60	(0.02)	(0.34)	6.24
Total	**6.60**	**(0.00)**	**(0.34)**	**6.24**

(iii) The Group does not recognise deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve of subsidiaries and joint venture wherever it controls the timing of the distribution of profits and it is probable that the subsidiaries, joint venture and associate will not distribute the profits in the foreseeable future. Also, the Group does not recognises deferred tax liability on the unremitted earnings of its subsidiaries wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

(iv) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

31. Other non-current liabilities*

(Rs. in crores)

	31 March 2025	31 March 2024
Deferred income	37.70	47.92
Deferred activation/ installation charges	3.55	5.28
	41.24	**53.20**

32. Short-term borrowings

(Rs. in crores)

	31 March 2025	31 March 2024
Secured		
Current maturities of long-term borrowings	2,146.16	1,789.19
Unsecured		
From banks		
Cash credit from banks	5,589.02	4,232.86
Short term loans	1,151.23	-
	8,886.41	**6,022.05**

Notes:

(i) *Loan of Rs 1151.23 Crores have been provided by Government of India for payment of interest on Sovereign Guarantee Bonds issued by the company. Terms & conditions of the loan does not contain any stipulation regarding payment of interest. In absence thereof, no interest has been provided in the financial statements for the period.

(ii) Detail of Cash credit limit from banks

(Rs. in crores)

BANK NAME	Date of NPA	Outstanding Amount	Sanction Limit	Overdue	Interest Rate
Union Bank of India	8/12/2024	276.01	250	26.01	10.90%
Indian Overseas Bank	2/3/2025	2375.23	2300	75.23	9.90%
Union Bank of India	8/12/2024	2183.59	2000	183.59	10.90%
Punjab National Bank	9/10/2024	214.5	200	14.5	8.80%
Bank of India	9/4/2024	539.69	500	39.69	10.80%
		5589.02	**5250**	**339.02**	

(iii) The carrying values of above are considered to be a reasonable approximation of their fair values.

33. Lease liabilities

(Rs. in crores)

	31 March 2025	31 March 2024
Current portion of lease liabilities	18.64	46.09
	18.64	**46.09**

34. Trade payables

(Rs. in crores)

	31 March 2025	31 March 2024
Due to micro and small enterprises (refer note 60)	111.59	72.36
Due to others	781.39	906.17
Other accrued liabilities	107.18	99.45
	1,000.16	**1,077.98**

The carrying values of above are considered to be a reasonable approximation of their fair values.

31 March 2025	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises-undisputed	69.02	14.44	6.92	17.50	107.88
Others- undisputed	232.69	80.13	133.85	245.35	692.02
Micro, small and medium enterprises- disputed	1.27	1.50	1.54	0.03	4.35
Others - disputed	0.72	0.42	1.05	120.06	122.26
Unbilled - undisputed	23.79	2.54	1.43	5.03	32.78
Unbilled - disputed	6.41	12.41	5.33	16.72	40.87
Total	**333.90**	**111.44**	**150.13**	**404.68**	**1,000.16**

31 March 2024	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises - undisputed	40.16	11.41	4.55	10.56	66.68
Others- undisputed	325.56	52.42	192.06	177.54	747.57
Micro, small and medium enterprises- disputed	1.28	1.79	2.62	-	5.68
Others - disputed	0.01	-	0.13	116.17	116.31
Unbilled - undisputed	43.00	11.01	8.34	40.82	103.18
Unbilled - disputed	22.06	2.35	1.70	12.46	38.56
Total	**432.06**	**78.98**	**209.40**	**357.55**	**1,077.98**

35. Other financial liabilities

(Rs. in crores)

	31 March 2025	31 March 2024
Interest accrued		
- Not due on bonds	587.27	586.88
- Due on borrowings	213.60	0.68
- Not due on customer deposits	(0.00)	0.07
Security deposits	130.77	124.51
Employee related payables to GPF Trust*	750.48	761.10
Amount payable to contractors other than goods and services	249.87	250.71
Amount payable to other operators	53.77	49.44
Other payables	158.91	167.93
	2,144.67	**1,941.31**

Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial liabilities measured at amortised cost.

** Refer Note 85*

36. Other current liabilities

(Rs. in crores)

	31 March 2025	31 March 2024
Advances received	201.74	280.86
Statutory dues	653.06	208.79
Deferred income	9.98	9.72
Deferred activation/ installation charges	1.01	1.08
	865.79	**500.46**

37. Short-term provisions

(Rs. in crores)

	31 March 2025	31 March 2024
Provision for employee benefits		
Provision for leave encashment - Company employees	22.36	25.23
Provision for leave encashment - Others	1.35	1.17
Provision for pension - Company employees	-	-
Provision for pension - Others	0.49	0.41
Provision for gratuity - Company employees	-	-
Provision - others		
Provision for others	53.75	56.21
	77.95	**83.02**

(i) Movement in provision related to others during the financial year:

(Rs. in crores)

	31 March 2025	31 March 2024
As at beginning of reporting period	54.39	54.39
Additions during the year	(2.46)	-
As at end of reporting period	**51.93**	**54.39**

(ii) For disclosures required related to provision for employee benefits, refer note 52 - Employee benefit obligations

38. Revenue from operations

(Rs. in crores)

	31 March 2025	31 March 2024
Fixed telephone income		
Revenue - Telephone calls and other charges	21.85	23.47
Revenue - Fixed telephone monthly charges	95.16	129.82
Revenue - Telephone (Franchise services)	0.53	0.95
Revenue - Access calls and other charges	12.45	9.17
Revenue - Rent and junction charges	22.23	17.26
Revenue - Broadband	94.98	112.83
Revenue - ISDN call charges	1.99	3.59
Revenue - ISDN call rental	28.16	32.64
Enterprise business		
Revenue - Local circuits	227.47	251.58
Revenue - Long distance circuits	1.86	2.34

		31 March 2025	31 March 2024
Mobile revenue			
Revenue - Activation charges		0.08	0.05
Revenue - Mobile rental and call charges		16.45	16.40
Revenue - Income from roaming		(4.25)	14.06
Revenue - Prepaid trump		39.75	38.15
Revenue - IUC income		3.09	3.47
Revenue - VAS		21.58	22.14
Others			
Revenue - Free phone services		50.51	50.44
Revenue - Internet		11.81	12.85
Revenue - Premium rate services		0.15	0.15
Revenue - Other services		17.59	17.81
	A	**663.43**	**759.17**
Other operating revenues			
Other operating revenues - Surcharge on delayed payment		1.78	2.14
Other operating revenues - Revenue from enterprise business		27.30	32.12
Other operating revenues - Revenue from sale of goods		5.50	5.03
Other operating revenues - Sale of Inventory/Store/Spare Sold		0.02	0.09
	B	**34.59**	**39.39**
Total Revenue from operations (A+B)		**698.02**	**798.56**

** Refer Note 78*

39. Other income

(Rs. in crores)

	31 March 2025	31 March 2024
Interest on:		
Interest from bank	5.13	14.21
Interest on advance to employees	0.58	0.77
Interest on income tax refund	8.70	-
Other interest income	9.06	5.29
	23.47	**20.27**
Other income		
Income From Trusts	27.27	27.13
Sale of directories, pub. etc.	0.00	0.04
Gain on sale of property, plant and equipment (net)	6.19	1.80
Income from liquidated damages	0.10	0.02
Exchange variation (net)	0.12	0.01
Bad debts recovered	0.02	0.01
Credit balances written back	129.96	66.50
Rental on quarters/ hostels etc.	10.74	12.05
Rental income from properties	382.30	374.31
Rental income from towers and BTS	50.29	54.74
Miscellaneous income	50.04	17.64
	657.02	**554.26**
Total Other income	**680.50**	**574.53**

*Effective 1st April 2024, the company has decided not to recognise rental income due from BSNL in view of uncertainty in realisation. However, Amount accounted for Upto 31.03.2024 has not been derecognised.

40. License fees expense

(Rs. in crores)

	31 March 2025	31 March 2024
License fees expenses	64.27	68.70
Spectrum charges	2.61	2.09
	66.87	**70.79**

41. Employee benefit expense

(Rs. in crores)

	31 March 2025	31 March 2024
Salaries, wages allowances & other benefits	469.17	470.49
Bonus/ex-gratia	-	-
Medical expenses and allowances	28.51	39.77
Pension contribution		
(a) Group employees	11.12	11.62
(a) Others	1.02	2.89
Leave encashment		
(a) Group employees	37.22	31.49
(a) Others	0.43	0.54
Contribution to gratuity fund	10.35	7.22
Contribution to provident & other funds	27.87	29.51
Staff welfare expenses	0.05	0.04
	585.74	**593.57**
Less : Allocation to CWIP	(10.54)	(19.50)
	575.21	**574.07**

For descriptive notes on disclosure of defined benefit obligation, refer note 52 - Employee benefit obligations.

42. Finance costs

(Rs. in crores)

	31 March 2025	31 March 2024
Interest on		
- term loans	270.72	321.49
- cash credit facility	531.05	418.58
- short-term loan facility	-	8.26
- bonds	1,828.07	1,711.97
- customer deposits	0.00	0.00
- lease liability	8.88	11.94
- others	11.61	10.70
Other finance costs		
- commitment fees	267.83	206.96
	2,918.15	**2,689.90**

43. Depreciation and amortisation expense

(Rs. in crores)

	31 March 2025	31 March 2024
Depreciation on		
Property, plant and equipment	248.28	285.95
Investment properties	3.01	2.44
Right-of-use assets	32.41	42.66
Amortisation on		
Intangible assets	328.45	335.30
	612.15	**666.35**

44. Other expenses

(Rs. in crores)

	31 March 2025	31 March 2024
Power, fuel and water	158.01	178.18
Rent	47.28	66.97
Repairs to buildings	9.04	8.46
Repairs to machinery	62.97	74.65
Repairs others	19.43	27.82
Insurance	0.18	0.18
Rates and taxes	56.19	40.30
Travelling and conveyance	0.49	0.63
Postage, telegram and telephones	2.13	1.18
Printing and stationery	1.01	1.84
Vehicle expenses	5.20	6.01
Advertisement and promotional expenses	1.84	1.80
Bad debts written off	11.79	11.74
Auditor's Remuneration*	0.85	0.85
Legal and professional expenses	4.12	4.20
Seminar and training charges	0.01	0.02
Security service expenses	16.71	16.93
Loss on sale of property, plant and equipment (net)	(0.00)	1.49
Internet charges	1.34	2.08
Provision for insurance claims	1.50	0.95
Provision for abandoned work- capital work-in-progress	-	0.01
Commission	3.04	3.25
Provision for doubtful debts including discount	8.26	63.41
Provision for obsolete inventory	0.26	3.81
Provision for doubtful claims	23.86	11.70
Outsourcing expenditure	12.42	11.27
Settlement of financial instruments	0.05	0.26
Interest on delay payment to MSME vendors & GST	10.05	4.03
Penal interest	0.25	0.47
Miscellaneous expenses	13.80	18.93
	472.12	**563.43**

*Remuneration As Auditor:

As Auditor:

Audit fee	0.65	0.65
Tax audit fee	0.08	0.08
For reimbursement of expenses	0.12	0.12
	0.85	**0.85**

45. Tax expense

(Rs. in crores)

	31 March 2025	31 March 2024
Current tax (including taxes earlier years)	0.13	0.09
Deferred tax	(0.75)	(0.28)
	(0.62)	**(0.19)**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.944% and the reported tax expense in profit or loss are as follows:

(Rs. in crores)

	31 March 2025	31 March 2024
Accounting profit/(loss) before income tax		
- From continuing operations	(3,328.31)	(3,267.71)
- From discontinued operations	-	-
Total accounting loss before tax	**(3,328.31)**	**(3,267.71)**
At country's statutory income tax rate of 34.944% (31 March 2024: 34.944%)	(1,163.04)	(1,141.87)
Adjustments in respect of taxes earlier years	-	-
Difference in property, plant and equipment as per books and Income Tax Act, 1961	125.49	125.49
Non-deductible expenses for tax purposes	(94.57)	(94.57)
Employee benefits allowed on payment basis	7.17	7.17
Others	-	-
Deferred tax not created on losses for current year	**1,124.96**	**1,103.78**
Tax rate differential	**-**	**-**
	-	**-**

(i) The Parent company has unabsorbed depreciation and brought forward business losses amounting to Rs. 32177.88 Crores as on 31 March 2024 on which no deferred tax asset has been recognised. Deferred tax asset shall be created in the year in which the Company will have reasonable certainty of future taxable income as required by Indian"," Accounting Standard 12 - "Income Taxes" as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.)

(ii) The Parent has not recognized tax expense/credit (current and deferred tax) in the statement of profit and loss (including other comprehensive income) as the Company is incurring losses and there is no reasonable certainty supported by convincing evidence that sufficient future taxable profits will be available against which unused tax losses can be utilized.

(iii) Details of year wise expiry are given below: **(Rs. in crores)**

Particulars	Year of origination	Year of expiry	Amount
Brought forward losses	Assessment year 2017-18	Financial year 2024-25	2,242.64
Brought forward losses	Assessment year 2018-19	Financial year 2025-26	2,457.36
Brought forward losses	Assessment year 2019-20	Financial year 2026-27	2,825.57
Brought forward losses	Assessment year 2020-21	Financial year 2027-28	2,965.61
Brought forward losses	Assessment year 2021-22	Financial year 2028-29	2,853.22
Brought forward losses	Assessment year 2022-23	Financial year 2029-30	2,067.07
Brought forward losses	Assessment year 2023-24	Financial year 2030-31	2,516.32
Brought forward losses	Assessment year 2024-25	Financial year 2031-32	2,864.60
Brought forward losses	Assessment year 2025-26	Financial year 2032-33	3,020.00
Unabsorbed depreciation	Multiple	Indefinite	8,365.50

46. Other Comprehensive Income

(Rs. in crores)

	31 March 2025	31 March 2024
Items that will not be reclassified to profit or loss		
Re-measurement gains (losses) on defined benefit plans	(17.85)	(15.22)
Income tax effect	-	-
	(17.85)	**(15.22)**
Items that will be reclassified to profit or loss		
Foreign currency translation of foreign operations	2.15	(3.93)
Income tax effect	-	-
	2.15	(3.93)
Other comprehensive loss for the year	**(15.70)**	**(19.16)**

47. Earnings per equity share

The Parent's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Parent. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

(₹ in crores)

	31 March 2025	31 March 2024
Net loss attributable to equity shareholders	(3,327.69)	(3,267.52)
Discontinued operation	**-**	**-**
	(3,327.69)	**(3,267.52)**
Loss per equity share:		
Nominal value of equity share (Rs.)	**10.00**	**10.00**
Weighted-average number of equity shares for basic and diluted EPS	**63,00,00,000**	**63,00,00,000**
Basic and diluted loss per share (Rs.)	**(52.82)**	**(51.87)**

48. Fair value disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(Rs. in crores)

Particulars	Level	31 March 2025		31 March 2024	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	3.69	3.90	18.92	18.43
Other financial assets	Level 3	4,808.49	5,390.53	4,772.53	5,158.67
Total financial assets		**4,812.18**	**5,394.43**	**4,791.45**	**5,177.10**
Borrowings	Level 3	32,368.34	30,823.98	28,174.01	23,719.00
Finance lease obligations	Level 3	-			
Other financial liabilities	Level 3	2,311.50	2,085.36	2,055.71	2,029.10
Total financial liabilities		**34,679.84**	**32,909.34**	**30,229.72**	**25,748.10**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other receivables, trade payables and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2024 was assessed to be insignificant.

49. Financial risk management

i) Financial instruments by category

(Rs. in crores)

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	-	-	-	-	-	-
Loans	-	-	3.69	-	-	4.35
Other financial assets	-	-	4,808.49	-	-	4,766.95
Trade receivables	-	-	559.79	-	-	512.42
Cash and cash equivalents	-	-	180.76	-	-	85.07
Other bank balances	-	-	29.16	-	-	23.36
Total	**-**	**-**	**5,581.88**	**-**	**-**	**5,392.16**

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	32,368.34	-	-	30,027.82
Trade payables	-	-	1,000.16	-	-	1,077.98
Other financial liabilities	**-**	**-**	**2,311.50**	**-**	**-**	**2,114.07**
Total	**-**	**-**	**35,680.00**	**-**	**-**	**33,219.88**

*Investment in equity instrument of joint ventures and associates have been accounted using equity method of accoutning and hence, not presented here.

ii) Risk Management

'The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Group presently does not make any investments in equity shares, except for entities where it exercises control or joint control or significant influence.

'The Group's risk management is carried out by a central treasury department (of the Parent) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

'Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,

- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions.

a) Credit risk management

'The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

'Assets under credit risk – **(Rs. in crores)**

Credit rating	Particulars	31 March 2025	31 March 2024
A: Low	Loans	3.69	4.35
	Other financial assets	4,808.49	4,766.95
	Bank deposits	72.92	70.75
	Cash and cash equivalents	180.76	85.07
B: Medium	Trade receivables	559.79	512.42
C: High	Trade receivables	1,229.80	1,261.52
	Loans	1.98	2.02
	Other financial assets	114.14	94.68
	Cash and cash equivalents	0.56	0.56

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due in each business segment as follows:

(i) **Cellular:** Six months past due

(i) **Basic & other services:** Three years past due

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

The Group provides for expected credit losses based on the following:

Trade receivables

(i) 'The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by 'analysing historical trend of default relevant to each business segment based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

(Rs. in crores)

Particulars	31 March 2025		31 March 2024	
	Basic & other services	Cellular	Basic & other services	Cellular
Gross amount of sales	2,151.28	5.32	2,364.70	79.96
Expected loss rate	5.23%	16.57%	5.58%	4.44%
Expected credit loss (loss allowance provision)	112.44	0.88	131.87	3.55
Receivables due from customers where specific default has occurred	864.13	249.64	876.54	248.51

During the periods presented, the Group made no write-offs of trade receivables.

(ii) 'Reconciliation of loss allowance provision from beginning to end of reporting period:

(Rs. in crores)

Reconciliation of loss allowance	Trade receivables
Loss allowance on 31 March 2023	**(1,198.10)**
Add/ (Less): Changes in loss allowances due to write off/recovery	9.19
Add/ (Less): Changes in loss allowances due to assets originated or purchased	(72.61)
Loss allowance on 31 March 2024	**(1,261.52)**
Add/ (Less): Changes in loss allowances due to write off/recovery	104.33
Add/ (Less): Changes in loss allowances due to assets originated or purchased	(72.61)
Loss allowance on 31 March 2025	**(1,229.80)**

Other financial assets measured at amortised cost

Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population For such financial assets, the Group's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

B) Liquidity risk

'Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rs. in crores)

Paritculars	31 March 2025			31 March 2024		
	Total facility	Drawn	Undrawn	Total facility	Drawn	Undrawn
0-1 year	7,039.23	6,022.09	1,017.14	7,039.23	6,022.09	1,017.14
1-2 years	640.24	640.24		640.24	640.24	
More than 2 years	373.22	373.22		373.22	373.22	
Total	**8,052.69**	**7,035.55**	**1,017.14**	**8,052.69**	**7,035.55**	**1,017.14**

b) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Rs. in crores)

31 March 2025	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Non-derivatives					
Long term borrowings (including bonds)	3,787.49	4,587.67	3,852.06	30,270.47	42,497.69
Lease liabilities	90.33	40.54	13.83	106.32	251.01
Short term borrowings	4,232.86	-	-	-	4,232.86
Trade payable	1,077.98	-	-	-	1,077.98
Other financial liabilities	1,819.21	0.16	0.01	293.06	2,112.43
Total	**11,007.87**	**4,628.36**	**3,865.90**	**30,669.84**	**50,171.97**

(Rs. in crores)

31 March 2024	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Non-derivatives					
Long term borrowings (including bonds)	3,787.49	4,587.67	3,852.06	30,270.47	42,497.69
Lease liabilities	90.33	40.54	13.83	106.32	251.01
Short term borrowings	4,232.86	-	-	-	4,232.86
Trade payable	1,077.98	-	-	-	1,077.98
Other financial liabilities	1,819.21	0.16	0.01	293.06	2,112.44
Total	**11,007.87**	**4,628.36**	**3,865.90**	**30,669.84**	**50,171.98**

C) Market Risk

a) Foreign currency risk

'The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Group entities. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited and the Group hence does not use any derivative instruments to manage its exposure. Also, the Group does not use forward contracts and swaps for speculative purposes.

(i) Foreign currency risk exposure in USD:

'The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs., are as follows

(Rs. in crores)

Particulars	31 March 2025	31 March 2024
Financial assets	0.53	0.53
'Financial liabilities	0.94	0.94
Net exposure to foreign currency risk (liabilities)	(0.42)	(0.42)

Sensitivity

'The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
USD sensitivity		
'INR/USD- increase by 500 bps (31 March 2024 500 bps)*	(0.02)	(0.02)
'INR/USD- decrease by 500 bps (31 March 2024 500 bps)*	0.02	0.02

**Holding all other variables constant*

(ii) Foreign currency risk exposure in EURO:

'The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs., are as follows: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Financial assets	0.01	0.01
Financial liabilities	0.22	0.22
Net exposure to foreign currency risk (liabilities)	(0.21)	(0.21)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
EURO sensitivity		
INR/EURO- increase by 500 bps (31 March 2024 500 bps)*	(0.01)	(0.01)
INR/EURO- decrease by 500s bps (31 March 2024 500 bps)*	0.01	0.01

**Holding all other variables constant*

b) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2025 and 31 March 2024, the Group is exposed to changes in interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk: **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Variable rate borrowing	9,284.61	7,035.21
Fixed rate borrowing	23,083.73	22,992.61
Total borrowings	**32,368.34**	**30,027.82**

Sensitivity

'Below is the sensitivity of profit or loss and equity changes in interest rates. **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	(46.42)	(35.18)
Interest rates – decrease by 50 bps basis points	46.42	35.18

**Holding all other variables constant*

ii) Assets

The Groiup's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Group does not have any significant investments in equity instruments which create an exposure to price risk.

50 Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

'The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. **(Rs. in crores)**

Particulars	31 March 2025	31 March 2024
Net debt	32,368.34	30,027.82
Total equity	(26,918.97)	(23,644.10)
Net debt to equity ratio	**(1.20)**	**(1.27)**

'The Group has not declared dividend in current year or previous year.

51 Group information

(a) Information about subsidiaries

The Parent's subsidiaries at 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Parent, and the proportion of ownership interests held equals the voting rights held by the Parent. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	County of incorporation	% equity interest	
			31 March 2025	31 March 2024
Millenium Telecom Limited	Information technology/data	India	100	100
Mahanagar Telephone (Mauritius) Limited	Telecommunication service	Mauritius	100	100
MTML Data Limited*	Telecommunication service	Mauritius	100	100
MTML International Limited*	Telecommunication service	Mauritius	100	100

(b) Interests in associates and joint ventures

Set out below are the associates and joint ventures of the Parent as at 31 March 2024 which, in the opinion of the directors, are material to the Parent. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Parent. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% equity Interest	Relationship	Accounting method
United Telecommunications Limited*	Nepal	26.68	Associate	Equity method
MTNL STPI IT Services Limited*	India	50.00	Joint Venture	Equity method

(1) UTL provides basic, mobile, NLD, ILD and data services in Nepal.

(2) MSITS aims to provide exclusive data center services, messaging services, business application services to the identified sectors of economic activity and thereby also popularizing the .in domain in the networked community across the world.

*Unlisted entity - no quoted price available.

**In the current year, the Parent has made a proposal to UTL for sale of its stake and such investment has been classified as 'held for sale'. Refer note 23 for details.

(i) There are no commitments and contingent liabilities in respect of associates and joint ventures for which the Parent is liable.

(ii) Summarised financial information for associate and joint venture

The tables below provide summarised financial information for those joint ventures and associates that are material to the Parent. The information disclosed reflects the amounts

presented in the financial statements of the relevant associates and joint ventures and not Mahanagar Telephone Nigam Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(Rs. in crores)

Summarised balance sheet	United Telecommunications Limited		MTNL STPI IT Services Limited	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Current assets				
Cash and cash equivalents	-	0.02	5.38	4.08
Other assets	-	19.10	0.33	3.51
Total current assets	**-**	**19.12**	**5.71**	**7.59**
Total non-current assets	**-**	**124.32**	**2.63**	**3.05**
Current liabilities				
Trade payables	-	-	0.13	0.07
Financial liabilities(excluding trade payables)	-	-	-	-
Other liabilities	-	558.97	0.97	3.41
Total current liabilities	**-**	**558.97**	**1.10**	**3.47**
Non-current liabilities				
Financial liabilities(excluding trade payables)	-	53.66	-	-
Other liabilities	-	-	0.00	0.17
Total non-current liabilities	**-**	**53.66**	**0.00**	**0.17**
Net assets	**-**	**(469.19)**	**7.24**	**7.00**

Reconciliation to carrying amounts

(Rs. in crores)

Particulars	United Telecommunications Limited		MTNL STPI IT Services Limited	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Opening net assets	(341.66)	(405.46)	12.25	8.63
Profit/ (loss) for the year	-	63.80	3.64	3.62
Other comprehensive income	-	-		
Dividends paid	-	-	-	-
Other equity - Convertible loan (not forming of equity method)	**-**	**-**	**-**	**-**
Closing net assets	(341.66)	(341.66)	15.89	12.25
Parent's share in %	26.68%	26.68%	50.00%	50.00%
Parent's share in Indian Rupees	(91.16)	(91.16)	7.95	6.13
Less: Contribution from other shareholders not adjusted in equity method	**53.79**	**53.79**	**-**	**-**
Add: Share of loss limited to carrying value of investment	**36.95**	**36.95**	**-**	**-**
Carrying amount	**-**	**-**	**7.95**	**6.13**

Summarised statement of profit and loss **(Rs. in crores)**

Particulars	United Telecommunications Limited		MTNL STPI IT Services Limited	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Revenue	-	-	10.00	9.36
Interest income	-	(46.69)	0.52	0.12
Depreciationa and amortisation	-	15.42	0.55	0.77
Income tax expense	-	0.28	1.25	1.22
Profit from continuing operations	**-**	**63.80**	**3.64**	**3.62**
Profit from discontinued operations	-	-	-	-
Profit for the year	**-**	**63.80**	**3.64**	**3.62**
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**63.80**	**3.64**	**3.62**
Dividends received	-	-	1.82	1.81

52. Employee benefit obligations

(Rs. in crores)

Particulars	31 March 2025		31 March 2024	
	Current	Non-current	Current	Non-current
Gratuity	13.65	163.07	15.37	149.34
Compensated absences	22.36	238.39	25.23	221.64
Total	**36.01**	**401.46**	**40.60**	**370.98**

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

For the funded plan, the Company makes contributions to recognised debt base funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected payments. The expected contribution to the plan for next annual reporting period amounts to Rs. 7.54 crores (previous year - Rs. 7.49 crores). The weighted average duration of the defined benefit obligation as at 31 March 2025 is 10 to 11 years (31 March 2024: 10 to 11 years).

A Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Current service cost	6.16	7.14
Amount recognised in the statement of profit and loss	**6.16**	**7.14**

(ii) Movement in the liability recognised in the balance sheet is as under: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Present value of defined benefit obligation as at the start of the year	**164.72**	**160.45**
Current service cost	6.16	7.14
Past service cost including curtailment gains/losses	-	-
Interest cost	11.82	11.94
Actuarial loss recognised during the year	15.47	8.48
Benefits paid	(21.44)	(23.29)
Present value of defined benefit obligation as at the end of the year	**176.73**	**164.72**

(iii) Movement in the plan assets recognised in the balance sheet is as under: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Fair value of plan assets at beginning of year	**214.27**	**209.52**
Expected return on plan assets	11.83	15.59
Transfer to/from MTNL	3.95	9.00
Receivable from MTNL	12.01	4.26
Premium redemption reserve	0.36	0.61
Advance income	(48.25)	(0.12)
Actuarial gain on plan assets	(2.38)	(6.75)
Benefits paid	(13.40)	(17.84)
Fair value of plan assets at the end of the year	**178.39**	**214.27**
Actual return on plan assets	9.45	8.84

(iv) Breakup of actuarial (gain)/loss: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Actuarial (gain)/loss on arising from change in financial assumption	6.53	3.51
Actuarial (gain)/loss on arising from experience adjustment	8.93	4.96
Actuarial (gain)/loss on plan assets	2.38	6.75
Total actuarial (gain)/loss	**17.84**	**15.22**

(v) Actuarial assumptions **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Discount rate	6.72%	7.18%
Future basic salary increase	3.50%	3.50%
Future DA increase	**4.00%**	**4.00%**

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vi) Sensitivity analysis for gratuity liability **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	176.73	168.99
- Impact due to increase of 0.50 %	(7.08)	(6.65)
- Impact due to decrease of 0.50 %	7.54	7.10
Impact of the change in salary increase		
Present value of obligation at the end of the year	176.73	168.99
- Impact due to increase of 0.50 %	3.00	3.70
- Impact due to decrease of 0.50 %	(3.40)	(4.12)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

(vii) Maturity profile of defined benefit obligation **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Within next 12 months	13.65	15.37
Between 1-5 years	38.57	36.43
Between 5-10 years	124.51	112.93

(viii) Category of investment in gratuity trust: **(₹ in crores)**

Particulars	31 March 2025	31 March 2024
Government of India Securities	29.28	29.28
Corporate bonds	45.00	98.13
State government securities	11.95	12.36
Mutual funds	-	1.75
Others	0.06	0.06
LIC	1.27	1.27
Total	**87.56**	**142.85**

B Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above."," However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months,"," therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of Rs. 32.02 crores (previous year: Rs. 32.02 crores) has been recognised in the statement of profit and loss.")

C Defined contribution plans

Contributions are made to the Government Provident Fund and Family Pension Fund which cover all regular employees eligible under applicable Acts. Both the eligible employees and the Group make pre-determined contributions to the Provident Fund. The contributions are normally based upon a proportion of the employee's salary.

The Group has recognized the following amounts in the statement of profit and loss :

Particulars	31 March 2025	31 March 2024
Employer contribution to provident fund*	27.87	29.51
Leave encashment contribution for DoT employees**	0.43	0.54
Pension contribution for DoT employees***	1.02	2.89
Pension contribution for company employees**	**11.12**	**11.62**

* Mentioned as contribution to CPF

** Mentioned as leave encashment - Others

*** Mentioned as pension contribution - Others

**** Mentioned as pension contribution - Company employees

D. Gratuity and compensated absences is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used IALM (2012-14) Ultimate table for mortality in service and IALM (2012-14) table for mortality in retirement.

E. Mortality in service is assumed on the basis of IALM (2012-14) Ultimate table for mortality in service and IALM (2012-14) table.

F. The Group has taken an Insurance Policy for medical benefits in respect of its retired and working employees. The Insurance Policy is fully funded by the Group.

53. Related party disclosures

Related parties where control exists:

i. Key Management Personnel

Name	Designation
Mr.A Robert J Ravi	CMD from 15 July 2024
Mr. P. K. Purwar	CMD from 15 April 2020 upto 14 July 2024
Mr. Kalyan Sagar Nippani	Director (Technical) from 01 August 2024 and Appointed as Director (HR & EB) from 01 October 2024
Mr. Sandeep Govil	Director (HR & EB) from 01 October 2023 upto 30 Sept 2024
Mr. Rajiv Kumar	Director (Finance) from 02 December 2022
Mr. V. Ramesh	Director (Technical) from 01 April 2022 upto 31 July 2024
Mr. Sunil Kumar Verma	Government Director from 08 November 2024 upto 30 January 2025
Mr. Niraj Verma	Government Director from 15 December 2023 upto 08 November 2024
Mr. Shivendu Gupta	Government Director from 05 Januray 2023

Name	Designation
Mr. Alok Shukla	Government Director from 30 Januray 2025
Mr. Vishwas Pathak	Independent Director from 12 November 2021 upto 01 November 2024
Shri Sarv Daman Bharat	Independent Director from 12 November 2021 upto 01 November 2024
Shri Yogesh Kumar Tamrakar	Independent Director from 12 November 2021 upto 01 November 2024
Ms. Deepika Mahajan	Independent Director from 23 November 2021 upto 01 November 2024
Mr. Piyush Ranjan Nishad	Independent Director from 21 April 2022 upto 23 March 2025
Mr. Sultan Ahmed	Chief Financial Officer (CFO) from 14 February 2023
Mr. Ratan Mani Sumit	Company Secretary from 01 March 2023
Mr. Deepak Mukherjee	Executive Director, Mumbai from 24 January 2021 upto 12 November 2024
Mr. Mukesh Kumar Chauhan	Executive Director, Delhi from 01 June 2022

ii Joint ventures

MTNL STPI IT Services Limited ('MSISL')

iii Associates

United Telecommunications Limited ('UTL')*

iv Other related parties

MTNL Leave encashment trust

MTNL Gratuity trust

v Other government entity

Bharat Sanchar Nigam Limited ('BSNL')#

vi Summary of significant transactions with related parties: **(Rs. in crores)**

Particulars	For the year ended	
	31 March 2025	31 March 2024
Remuneration to Key Managerial Personnel		
Short-term employee benefits	1.36	1.42
Post employment benefits	0.01	0.03
Other long-term employee benefits	0.04	0.03
Amount received from MSISL	2.85	1.37

vii Summary of significant outstanding balances with related parties: **(Rs. in crores)**

Particulars	For the year ended	
	31 March 2025	31 March 2024
MSISL	2.28	2.28
UTL	-	-
BSNL*		

**Refer Note 69 for detail of transactions with BSNL*

viii. The Group has certain transactions with respect to sale and purchase of services and receives reimbursement of expenses (vis-a-vis electricity and water charges) in relation to renting of immovable property from BSNL.

54. Details of contingent liabilities, pending litigations and other matters: **(Rs. in crores)**

	Particulars	31 March 2025	31 March 2024
a	Income Tax Demands disputed and under appeal ^	283.69	283.69
b	Sales Tax, Service Tax, Excise duty, Municipal Tax Demands Disputed and under Appeal	732.39	529.71
c	(i) Interest to DDA on delayed payments/pending court cases/Tax cases	Amount Indeterminate	Amount Indeterminate
	(ii) Stamp duty payable on land and buildings acquired by the Parent	Amount Indeterminate	Amount Indeterminate
d	Claims against the Parent not acknowledged as debts	6,351.35	668.03
e	Pending arbitration/court cases	2,581.06	2,578.63
f	Bank guarantee & Letter of Credit	107.78	108.00
g	Directory dispute	71.83	66.98
h	Pending court cases against land acquisition	20.85	4.87
i	License fee related contingent liability w.r.t. provisional assessment done by DOT	5,132.24	4,687.02
j	BTS related penalty imposed by DoT	84.87	84.87

^Contingent Liability on account of Income Tax as shown in (a) above excludes various notices received from TDS department creating demand due to non-matching of their records with the returns filed.

55. Capital and other commitments

A) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows: **(Rs. in crores)**

Description	31 March 2025	31 March 2024
Property, plant and equipment	5.32	5.30
Other Repair & Maintenance	16.71	-

B) In respect of incomplete contracts where the expenditure already incurred has exceeded the contract value, the additional expenditure required to complete the same cannot be quantified.

56. Segment information

The Group's manaagement examines the group's performance on services offered basis and has identified two reportable segments:

i. Basic and other services

ii. Cellular services

A) Segment revenue and results

(Rs. in crores)

Particulars	31 March 2025					31 March 2024				
	Basic & other Services	Cellular	Unal-locable	Inter segment adjust-ment	Total	Basic & other Services	Cellular	Unal-locable	Inter segment adjust-ment	Total
Revenue from operations	**616.18**	**82.98**	**-**	**(1.14)**	**698.02**	**699.73**	**100.06**	**-**	**(1.24)**	**798.56**
Segment result before interest income, exceptional items, finance cost and tax	**(35.84)**	**(410.05)**	**10.43**	**-**	**(435.45)**	**(163.22)**	**(437.62)**	**0.94**	**-**	**(599.90)**
Add: Interest income					23.47					20.27
Less: Finance cost					(2,918.15)					(2,689.90)
Add: Share of profit or loss from joint venture and associate					1.82					1.82
Loss before tax					**(3,328.31)**					**(3,267.71)**
Less: Tax expense					(0.62)					(0.19)
Loss after tax					**(3,327.69)**					**(3,267.52)**
Other comprehensive income/ (loss)					(15.70)					(19.16)
Total other comprehensive loss					**(3,343.38)**					**(3,286.68)**

B) Capital employed

(Rs. in crores)

Particulars	31 March 2025				31 March 2024			
	Basic & other Services	Cellular	Unallocable/ eliminations	Total	Basic & other Services	Cellular	Unallocable/ eliminations	Total
Segment assets (A)	6,362.59	2,780.20	1,083.54	**10,226.33**	5,982.20	3,245.45	1,489.68	**10,717.34**
Segment liabilities (B)	2,500.43	32,505.92	2,138.95	**37,145.30**	2,481.17	30,272.65	1,607.63	**34,361.44**
Capital employed (A-B)	**3,862.15**	**(29,725.71)**	**(1,055.41)**	**(26,918.97)**	**3,501.04**	**(27,027.20)**	**(117.94)**	**(23,644.10)**

Notes:

i Operating segments have been identified by the Group taking into account nature of services, associated risks and returns and internal reporting system that reflects the manner in which operating results are regularly reviewed by the Chief Operating Decision Maker for purpose of makign decisions on resources to be allocated to such segments and assess their performance.

ii The Group caters to the needs of mainly two metro cities viz. Delhi and Mumbai, wherein the risk and return are not different to each other. As such there are no reportable geographical segments.

iii Segment revenue, segment results, segment assets and segment liabilities include the respective amount identifiable for each operating segment. Items which are not directly elatable to the business segment are shown as unallocable.

57. Ind AS 116 Leases

The Group has leases for office building, towers and related facilities and cars. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

(a) Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows: **(Rs. in crores)**

Particulars	'31 March 2025
Variable lease payments	47.28

(b) Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the period

Particulars	31 March 2025
Opening balance	**113.46**
Additions	0.28
Deletions	(0.55)
Accretion of interest	8.88
Exchange difference	-
Payments	(48.76)
Closing balance	**73.31**
Current	**18.64**
Non-current	**54.42**

(c) The Company had total cash outflows for leases of Rs. 125.36 for the period ending 31 March 2024.

(d) Refer note 49(B)(b) for the maturity profile of lease liability.

(e) Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Towers	1,723	0.02 to 14.85 years	1.125 years	244	-	-
Buildings	38	0.10 to 53.04 years	2.95 years	-	-	27
Leasehold land	49	42.87 to 84.94 years	57.18 years	49	-	50
Vehicles	-	-	-	-	-	-

58. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets*	Amount (Rs.)	As % of consolidated net assets*	Amount (Rs.)	As % of consolidated net assets*	Amount (Rs.)	As % of consolidated net assets*	Amount (Rs.)
Parent								
Mahanagar Telephone Nigam Limited	100.06%	(26,935.64)	99.87%	(3,323.51)	113.73%	(17.85)	99.94%	(3,341.36)
Indian subsidiaries								
Millenium Telecom Limited	-0.02%	6.27	-0.01%	0.36	0.00%	-	-0.01%	0.36
Foreign subsidiaries								
Mahangar Telephone (Mauritius) Limited	-0.42%	112.91	0.14%	(4.51)	-13.73%	2.15	0.07%	(2.35)
MTML Data Limited	0.00%	0.34	0.00%	0.00	0.00%	-	0.00%	0.00
MTML International Limited	-0.01%	1.72	0.00%	0.00	0.00%	-	0.00%	0.00
Associates (Investment as per the equity menthod)								
Foreign								
United Telecom Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Joint venture (Investment as per the equity menthod)								
Indian								
MTNL STPI IT Services Limited	-0.03%	7.24	-0.11%	3.64	0.00%	-	-0.11%	3.64
Less: Inter-company adjustments/eliminations	0.42%	(111.81)	0.11%	(3.67)	0.00%	-	0.11%	(3.67)
Total	**100.00%**	**(26,918.97)**	**100.00%**	**(3,327.69)**	**100.00%**	**(15.70)**	**100.00%**	**(3,343.39)**

*The above amounts / percentage of net assets and net profit or (loss) in respect of Mahanagar Telephone Nigam Limited and its subsidiaries are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

59. Assets pledged as security

(Rs. in crores)

Particulars	31 March 2025	31 March 2024
Current		
Pari-passu charge		
Inventories	5.13	5.13
Trade receivables	496.45	496.45
Cash and cash equivalents	60.85	60.85
Other bank balances	-	-
Loans	2.04	2.04
Other financial assets	4,498.46	4,498.46
Other currents assets	245.46	245.46
Total current assets pledged as security	**5,308.38**	**5,308.38**
Non-current		
Pari-passu charge		
Apparatus & plant	869.07	869.07
Vehicle	0.58	0.58
Furniture & fixtures	7.33	7.33
Office machinery & equipment	1.50	1.50
Electrical appliances	15.43	15.43
Computers	**13.81**	**13.81**
Other Non Current Assets	1,152.41	1,152.41
Total non-currents assets pledged as security	**2,060.14**	**2,060.14**
Total assets pledged as security	**7,368.52**	**7,368.52**

60 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

(Rs. in crores)

	Particulars	31 March 2025	31 March 2024
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	72.36	72.36
(ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	34.39	34.39
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

The Group is in the process of seeking confirmation from its vendors regarding their status under the Micro, Small and Medium Exterprises Development Act, 2006. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

60.A The Parent is covered under Section 135 of the Companies Act, 2013 and accordingly constituted a Corporate Social Responsibility Committee of the Board. However, as the Parent did not have average net profits based on the immediately preceding three financial years, the Parent is not required to spend amounts towards Corporate Social Responsibility in terms of the 2013 Act.

60.B During the year the Group has made expenditure in foreign currency equivalent to Rs. 0.34 crores (previous year Rs.0.32 crores). Whereas earnings in foreign currency are Rs. 1.30 crores (previous year Rs. 0.12 crores).

61. Revenue from Contracts with Customers

(i) Disaggregation of revenue:

The Company earns revenue from multiple sources within the telecommunications sector, including but not limited to 'Basic & Other Services' and 'Cellular' services. In accordance with the requirements of Ind AS 115 – Revenue from Contracts with Customers, revenue is disaggregated based on the nature of services and customer categories to reflect how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

The disaggregated revenue for the year is as follows: **(Rs. in crores)**

Description	Amount
Revenue from:	
- Fixed telephone income	277.34
- Enterprise business	229.33
- Mobile services	76.70
- Others	80.06
	663.43

Further, revenue is also disaggregated based on the geographical location of operations, primarily comprising Mumbai and Delhi telecom circles.

(ii) Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract liabilities for the contracts with the customers.

(Rs. in crores)

Particulars	Year ended 31 March 2025
Receivables, which are included in 'Trade and other receivables'	559.79
Contract Liabilities	254.20
Contract Assets	201.17

Changes in contract assets: (Rs. in crores)

Description	Year ended 31 March 2025
Contract assets at the beginning of the year	173.92
Add: revenue recognised during the year	419.09
Less: invoices raised during the year	(391.84)
	201.17

Changes in contract liabilities: (Rs. in crores)

Description	Year ended 31 March 2025
Contract liabilities at the beginning of the year	344.86
Less: performance obligations satisfied in current year	(261.21)
Add: advance received during the year	170.55
	254.20

(iii) Assets and liabilities related to contracts with customers (Rs. in crores)

Description	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Contract assets				
Unbilled receivables	-	239.54	-	173.92
Contract liabilities				
Advance from customers	-	201.74	-	280.86
Deferred income	37.70	9.98	47.92	9.72
Deferred activation/ installation charges	3.55	1.01	5.28	1.08

62. Additional disclosures as per the requirements of Division II of Schedule III to the Act

A. 1. The Holding Company is in possession of 38 immovable properties in Delhi and 53 immovable properties in Mumbai amounting Rs. 56.74 Crs, which were taken on lease by Department of Telecommunications ('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 included the leasehold lands and buildings which are now in possession of MTNL since the execution of 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. Accordingly, in the light of above, it is deemed that the immovable properties under lease, although not in the name of the MTNL and the unregistered sale deed dated 30 March 1987 is deemed execution of all leases in favor of MTNL by Government and stamp duty payable, if any, will be borne and paid by Government as and when any such occasion arises as per sale deed.

2. For following properties in Mumbai, acquired by the company after 01-04-1986, the tile deed/lease agreements are not in the name of company and the title is vested with the issuing authority in case of freehold properties and lease agreement is executed on behalf of GOI/P&T/DOT/POI. In respect of Delhi for the properties acquired after 1-4-1986 (38 properties) are deemed to have been registered as conveyed by DDA.

Mumbai Properties

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Juhu Danda	Freehold Land	0	GOI/P&T	No			Letter of DOT is avialable on records for allotement of plot in favour of MTNL.
Bandra Reclamation	Freehold Building	10983418	Bombay Housing and Area Development Board	No			MHADA Allotment letter is avialabe on records for allotemnt of land.

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Magathane, Borivali(E)	Freehold Building	4270028	Bombay Housing and Area Development Board	No			MHADA Allotment letter is avialabe on records for allotemnt of land.
Purchase Cost Land from MHADA (Akurli)	Leasehold Land	6389373	MHADA	No			MHADA Allotment letter is avialabe on records for allotemnt of land.
Purchase of land & Bldg. at Taloja NEW BOMBAY	Leasehold Land	196200	POI	No			Lease Agreement executed by MTNL on behalf of President of India.
PANVEL	Leasehold Land	-	POI (P&T)	No			Permisssion letter from Panvel Municipal Corporation is available on records.

Delhi Properties

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
CGO Complex Lodhi Road	Leasehold	0.10	DOT	No			L&DO
Jor Bagh	Leasehold	-	DOT	No			Documents not available
Kidwai Bhawan (Janpath)	Leasehold	-	DOT	No			L&DO
Minto Road JLN Marg	Leasehold	0.12	DOT	No			L&DO

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Delhi Gate	Leasehold	-	DOT	No			Documents not available
Idgah	Leasehold	0.01	DOT	No			L&DO
Karol Bagh	Leasehold	-	DOT	No			Documents not available
Lothian Road	Leasehold	0.08	DOT	No			(PWD)Delhi Admn.
Tis Hazari	Leasehold	-	DOT	No			Documents not available
Bhikaiji Cama Place (R. K. Puram)	Leasehold	0.66	DOT	No			DDA
Chankya Puri	Leasehold	0.00	DOT	No			L&DO
Hauz Khas	Leasehold	0.04	DOT	No			DDA
Nehru Place	Leasehold	0.18	DOT	No			DDA
Okhla	Leasehold	0.07	DOT	No			DDA
Laxmi Nagar/ Shahdara South	Leasehold	0.12	DOT	No			DDA
Shahdara/ Adjoining 21 Exch	Leasehold	0.04	DOT	No			DUSIB
Keshav Puram	Leasehold	0.02	DOT	No			DDA
Shakti Nagar	Leasehold	-	DOT	No			Documents not available
Badli	Leasehold	0.01	DOT	No			Directorate of Industries (Delhi Administration)
Rohini Sect 3 Pocket 31	Leasehold	0.15	DOT	No			DDA
Rohini Sect 3 Pocket 4	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 5 Pocket 4	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 5 Pocket 10	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 3	Leasehold	0.15	DOT	No			DDA
Rohini Sect. 6	Leasehold	0.18	DOT	No			DDA
Rohini Sect. 9	Leasehold	0.15	DOT	No			DDA

Description of property	Type of Properties	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company*	Remarks
Paschim Vihar G-17 TE	Leasehold	1.33	DOT	No			DDA
Hari Nagar/ Mayapuri	Leasehold	3.87	DOT	No			DDA
Rajouri Garden	Leasehold	0.03	DOT	No			MCD
Delhi Cantt	Leasehold	-	DOT	No			Documents not available
Janakpuri	Leasehold	0.07	DOT	No			DDA
Pankha Road Plot I	Leasehold	0.30	DOT	No			DDA
Pankha Road Plot 2	Leasehold	0.10	DOT	No			DDA
Pankha Road Plot 3	Leasehold	-	DOT	No			DDA
Shadipur	Leasehold	0.19	DOT	No			DUSIB
Eastern Court	Leasehold	-	DOT	No			Documents not available
Shahdara	Leasehold	-	DOT	No			Documents not available
Tehkhand	Leasehold	-	DOT	No			Documents not available

3. In Delhi one leasehold properites and in Mumbai Nine freehold and leasehold land properites have been encroached by the various persons in respect of which matter is either pending in court or perusing with the various authorities for clearing the encroachment.
4. In Mumbai, the title deed of 3 properties are not traceable. Efforts are being made to trace the property tiltle deeds.
5. The company does not hold any benami property nor has it entered into any benami transactions during the financial year. Accordingly, no proceedings have been initiated or are pending against the company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

B. The Company had transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of the Company	Nature of transactions with struck company	Balance outstanding	Relationship with struck off company
Godrej & Boyce	Trade payables	0.07	Vendor

63. Financial Ratios

This requirement is not relevent at this CFS level and hence not disclosed here.

64. Certain Lands and Buildings capitalized in the books are pending registration/legal vesting in the name of the company and the landed properties acquired from DOT have not been transferred in the name of the company and in the case of leasehold lands. Stamp Duty on the lands and buildings acquired from DOT is payable by DOT as per sale deed and in respect of properties acquired after 01 April 1986, the documentation shall be contemplated at the time of sale or disposal as and when effected. 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.

65. Department of Telecommunications (DOT) vide letter No. P-11014/19/2008-PP(Pt.I) dt. 28/12/2012 has levied One Time Spectrum Charges (OTSC) for the GSM and CDMA spectrum on MTNL. The charges also includes the spectrum given on trial basis to the extent of 4.4 MHz in 1800 MHz frequency. For the period from 01/07/2008 to 31/12/2012, initial 6.2 MHz spectrum was kept free and for the period from 01/01/2013 onwards, initial 4.4 MHz spectrum has been kept free. The calculations are further subject to change in accordance with the changes in the quantum of spectrum held by MTNL and the remaining valid period of license as per DOT. MTNL has surrendered 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. DOT has been apprised of the same and the matter is still under correspondence. Apart from this, the issue of charges for spectrum given on trial basis is also to be decided. Further MTNL has finally surrendered CDMA spectrum w.e.f. 28 February 2016. DOT has demanded an amount of Rs. 3,205.71 crores from MTNL on account of OTSC.

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 DOT 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 if any. Pending final outcome of the issue which itself is sub judice and non finality of quantum of charges payable, if at all, to DOT, no provision is made in the books of accounts as the amount is totally indeterminable. However the contingent liability of Rs. 3,205.71 crores is shown on the basis of the demand raised by DOT in respect of GSM which is very old and not insisted till date. As per industry related issue in litigation and TDSAT judgment there upon the estimated liability could not be more than Rs. 455.15 crore. As there is no further demand after the demand of Rs. 3205.71 cr dt. 08/01/2013 till now, the contingent liablity aslo, if the same fructified, can not be more than Rs. 455.15 crore. As such the same is disclosed accordingly.

66. Certain claims in respect of damaged/lost fixed assets and inventory has been lodged with Insurance Companies by MTNL but the settlement of the claims is pending. Final adjustment in respect of difference between amount claimed and assets withdrawn will be made in the year of settlement of claim.

67. The Parent had claimed benefit under section 80IA of the Income Tax Act, 1961 for the financial year from 1996-97 to 2005-06. The appellate authorities have allowed the claim to the extent of 75% of the amount claimed. The Parent has preferred appeals for the remaining claim before the Hon'ble Court of Delhi. The Parent has retained the provision of Rs. 375.96 crores (previous year Rs. 375.96 crores) for this claim for the assessment years 1998-99, 1999-00 and 2000-2001, however, the demands on this account amounting to Rs. 243.22 crores (previous year Rs. 243.22 crores) for the assessment years 2000-01 to 2006-07 have been shown as contingent reserve to meet the contingency that may arise out of disallowances of claim of benefit u/s 80IA of Income Tax Act, 1961.

68. Litigations

a) In the matter of settlement of bonds with Canara Bank and Canfina in earlier year, the arbitrator, Mr. A. P. Shah published the award on 03.03.2022 against the company for Rs. 160 crores with simple interest payable @6% P.A. from 21-10-1993 and Rs.0. 93 Crores was awarded as costs. MTNL filed OMP (COMM) No.312 of 2022 before Hon'ble Delhi High Court to set aside the Award along with an IA No.14319 of 2022 seeking unconditional stay on the operation of said award. Further, Canara Bank and Canfina also filed applications (Canara Bank's- OMP (ENF) (COMM) NO.147 of 2022 and CANFINA's OMP (ENF) (COMM) NO.155 of 2022) for the enforcement of said award dated 03.03.2022. The company submitted the title deed of one of the properties as security before the Hon'ble Delhi High Court in terms of an order dated 10.05.2024. The next hearing of MTNL's OMP (COMM) No.312 of 2022 along with Canara Bank's OMP and Canfina OMP is proposed on 23.07.2025. The amount of award along with interest to be the tune of Rs 463.01 crores therefore has been disclosed as contingent liability.

b) MTNL entered into contracts with M/s. M & N Publications Limited for printing, publishing and supply of telephone directories for Delhi and Mumbai unit for a period of 5 years starting from 1993. After printing and issue of 1993 (main & supplementary) and 1994 main directory, M/s. M & N Publications Ltd terminated the contract prematurely on 04 April 1996. MTNL, Mumbai & Delhi invoked Bank Guarantees on 09 April 1996, issued Legal Notice on 22 July 1996 and terminated the contract. Sole Arbitrator has been appointed by CMD, MTNL. The Sole Arbitrator has since given his award on 09 April 2013 partly in favour of MTNL, Mumbai and on 31 July 2013 in favour of MTNL, Delhi. The claim and counter claim under arbitration will be accounted for in the year when the ultimate collection/payment of the same becomes reasonably certain. M/s. M & N Publications has approached the Bombay & Delhi High Courts against the arbitration awards and MTNL also approached the Bombay

& Delhi High Courts for balance amount due. The claim of Rs. 68.92 crores on this account has been shown as contingent liability in Delhi unit.

c) As per directions of the Hon'ble Delhi High Court one UASL operator had paid to MTNL, Mumbai Rs. 124.93 crores and Rs. 33.99 crores in 2004-05 and 2005-06 respectively against the claim of Rs. 158.92 crores. The Company has recognised the amount realized as revenue in the respective period. The UASL operator approached the Hon'ble TDSAT for rate discrepancies. The Hon'ble TDSAT has ordered for refund of Rs. 96.71 crores. MTNL has filed a Civil Appeal and application for stay of operation of the order of TDSAT in the Hon'ble Supreme Court of India in which Supreme Court directed on 08 May 2014 that TDSAT will review the impugned order on seeking of it by appellant. MTNL filed review application which had been disposed off by Hon'ble TDSAT vide order dated 27 May 2014 on which MTNL filed CWP no.022764 dated 16 July 2014 in Hon'ble Supreme Court and the same is pending. Meanwhile UASL operator also filed appeal in Hon'ble Supreme Court. The claim of Rs. 96.71 crores on this account has been shown as contingent liability.

d) MTNL Mumbai has received claims from M/s. BEST, Electricity supply provider categorizing MTNL at Commercial tariff instead of Industrial tariff. The claim has been made with retrospective effect for the period Feb-2007 to May-2009 in respect of HT connection and Jan-2002 to Apr-2011 in respect of LT connection. MTNL has represented to BEST for reconsideration which has not been accepted by BEST. Hence MTNL has approached Hon'ble Mumbai High Court and got a stay on the arrears claimed by BEST amounting to Rs. 20.82 crores. In the opinion of the management, there is remote possibility of the case being settled against MTNL.

e) In respect of Mobile Services Delhi, a sum of Rs. 25.78 crores claimed by TCL towards ILD charges for the period Oct-09 to March-10 has not been paid due to heavy spurt in ILD traffic towards M/S TCL. On technical analysis it was found that these calls were made to some dubious and tiny destination. These destinations do not confirm to international numbering plan of the respective countries and are not approved destinations as per approved interconnect agreement. Further these calls have not got physically terminated to the destinations. The observations were shared with M/S TCL. M/S TCL has also been advised that the balance, which relates to fraudulent calls, is not payable and accordingly no provision has been made in the books of accounts. The matter was handed over to the committee for investigation. Subsequently M/S TCL filed a case in Hon'ble TDSAT for recovery of the amount, decision for which is awaited. The claim of Rs. 25.78 crores on this account has been shown as contingent liability. In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management perceives that these legal actions, when ultimately concluded and determined, will not have any material impact on the Company's financial statements.

69. Settlements with BSNL:

The amount recoverable from BSNL is Rs. 5,753.90 crores and the amount payable is Rs.2,188.86 crores. The net recoverable of Rs. 3,565.04 crores is subject to reconciliation and confirmation.

70. Subscribers' dues and deposits:

Other current liabilities include credits on account of receipts including service tax/GST from subscribers amounting to Rs. 77.29 crores (previous year Rs.86.63 crores), which could not be matched with corresponding debtors or identified as liability, as the case may be. Appropriate adjustments/ payments shall be made inclusive of service tax/GST, when these credits are matched or reconciled. Therefore, it could not be adjusted against making provision for doubtful debts.

71. The amounts of receivables and payables (including NLD / ILD Roaming operators) are subject to confirmation and reconciliation. The recoverable and payable from operators are under constant review and regular efforts are being taken for reconciliation and recovery of old outstanding dues.

72. The matching of billing for roaming receivables / payables with the actual traffic intimated by the MACH is being done. Further the roaming income is booked on the basis of actual invoices raised by MACH on behalf of MTNL. Similarly the roaming expenditure is booked on the basis of actual invoices received by MTNL from MACH on behalf of the other operators. However, regarding collection, the payment is directly received in the bank from other operators for varying periods.

73. In case of Mumbai unit of the Parent, the balances with non-scheduled banks comprise of:

(Rs. in crores)

Particulars	31 March 2025	31 March 2024
Indira Sahakari Bank Limited	0.56	0.56
(account closed, considered doubtful)	(0.56)	(0.56)

74. Settlements with DoT:

a) Amount recoverable from DoT is Rs. 667.31 crores and amount payable is Rs. 434.55 crores. The net recoverable of Rs. 232.76 crores is subject to reconciliation and confirmation. There is no agreement between the MTNL and DoT for interest recoverable/payable on current account. Accordingly, no provision has been made for interest payable/receivable on balances during the year.

b) Deposits from applicants and subscribers as on 31 March 1986 were Rs. 81.32 crores (previous year Rs. 81.32 crores) in Mumbai unit as intimated provisionally by DoT. At the year end, these deposits amounted to Rs. 103.28 crores (previous year Rs. 103.28 crores), the difference being attributable to connections/refunds granted in respect of deposits received prior to 31 March 1986. Balance on this account still recoverable from DoT is Rs. 43.49 crores (previous year Rs. 55.85 crores).

c) The total provision for Leave encashment is Rs. 260.75 crores up to 31 March 2025 (previous year Rs. 246.87 crores). Out of this, an amount of Rs. 45.49 crores (previous year Rs. 45.49 crores) and Rs. 43.37 crores (previous year Rs. 43.37 crores) is recoverable from DOT in respect of Company C & D and Company B employees respectively for the period prior to their absorption in MTNL.

d) An amount of Rs.6.52 crores (previous year Rs. 6.52 crores) towards GPF contribution is recoverable from DOT as on 31 March 2025. The amount pertains to Company C& D and Company B employees absorbed in MTNL w.e.f. 01 November 1998 and 01 October 2000 respectively.

75. As per gazette notification no. GSR 138(E) dated 3rd March 2014 pensionary benefits in respect of absorbed combined service pension optees are being paid by the Government of India on BSNL pay scales. Gratuity provision for other than combined service pension optee employees of MTNL, and Leave Encashment provision for all of the employees of MTNL has been made on the basis of actuarial valuation.

76. There is no indication of any impairment of assets of the Company, on the basis of the company as a whole as a CGU under Indian Accounting Standards - 36 "Impairment of assets" as specified under Section 133 of the Companies Act, 2013.

77. As per the accounting policy, Bonus/ Exgratia is paid based on the productivity linked parameters and it is to be provided accordingly subject to the profitability of the Company. In view of losses, no provision for Bonus/ Exgratia has been made during the year.

78. On reconciliation of roaming invoices with BSNL as agreed in the current year an amount of Rs. 15.30 Cr of revenue is reversed in Delhi unit in Cellular Segment.

79. There is no amount which is required to be transferred to Investor Education and Protection Fund by the Paremt.

80. The Group has no foreseeable losses, which requires provision under applicable laws or accounting standards on long-term contracts and not dealing into derivative contracts at all.

81. The Bank Reconciliation Statements as at 31 March 2025 include unmatched/unlinked credits amounting to Rs. 4.25 crore (previous year Rs. 2.03 crore) and unmatched/unlinked debits Rs. 0.13 crore (previous year Rs. 2.21 crore) respectively. Reconciliation and follow up with the bank to match/rectify the same is in process.

82. The Group has incurred a loss of Rs (3327.69) crores during the period under report. The company has been incurring continuous losses since year 2009-10 (except in FY 2013-14) and the net worth has been fully eroded for the year under report. Considering the continuous losses and negative net worth, the management has made an assessment of its ability to continue as a going concern. In pursuance DoT letter No. F. No. 30-04/2019-PSU Affairs dated 29th October, 2019 and decision of Board of Directors of MTNL through circular regulation on 04th November 2019, the MTNL Voluntary Retirement Scheme has been

introduced with effect from 04th November 2019 under which 14,387 number of MTNL employees of all grades opted and granted VRS to reduce the legacy staff costs inherited on account of absorption of employees recruited under government w.e.f. 01.11.1998 and also on 01.10.2000 and the expenditure of ex-gratia on account of compensation was borne by the DOT/Government of India through budgetary supports as per approval of cabinet. The company therefore reduced the staff expenses by more than 75 % which will help the company to reduce its costs and also thereby losses. Besides, the Government has approved the monetization of the lands and buildings of the company with assistance from DIPAM in order the get rid of the huge debt burden on the company. The monetization of land and buildings of the company is in process.

In addition to this, Government approved providing 4G license to BSNL and an infusion of fresh capital by the Government in lieu of granting 4G license. As per the deliberations, the maintenance and running of MTNL wireless network has also been taken over by BSNL from 01.04.2021 (in the case of Delhi) and from 01.09.2021 (in the case of Mumbai) onwards to improve the quality of services and also the launching of 4G services of MTNL as and when BSNL launches which also is likely to stabilize the revenue streams.

Besides as per F.NO.20-28/2022-PR dated 2nd August, 2022, DOT conveyed the decisions of the Union Cabinet in its meeting held on 27.07.2022 for the raising of Sovereign Guarantee backed bonds for MTNL with a tenure of 10 years for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high-cost debt and restructure it with new sustainable loan which has been raised Rs. 10,910 Crs. & Rs 6,661/- during the year 2022-23 & 2023-24 respectively. The company will be able to manage the payment of interest due on Sovereign Guarantee backed bonds with the support of Government of India in the form of soft loan of Rs 1151 crore during the year. Also, in view of such unsustainable debts of MTNL, a committee of Secretaries was constituted by the Govt. to examine matters such as asset monetization, AGR dues, debt restructuring etc. for further course of action for the merger of MTNL & BSNL. The government also allocated budgetary support of Rs. 1851 crores for network up gradation of MTNL by BSNL as a precursor to operational integration. Also, BSNL has to provide all telecom services in Delhi & Mumbai through leasing of operational assets or other appropriate models.

Further during the year, pursuant to the service agreement(SLA) entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company. For the issue of mounting debts as well as other to be referred to Committee of Secretaries and same are at present under review and before COS recommend way forward in case of MTNL, the case for further support to MTNL to manage its working capital is being contemplated. Towards implementation of the SLA, certain customers in Delhi & Mumbai have been migrated to BSNL w.e.f. 01.01.2025 and revenue thereof is not being recognised by MTNL. Necessary guidelines/procedure for execution of the SLA are yet to be framed.

All of the above aspects are considered by the management while preparing the financial statements and an assessment of its ability to continue as a going concern is made accordingly as required in SA (570) and Para 25 & 26 of Ind AS 1 "Presentation of Financial Statements' the company is continuously having support of Govt. in managing its issues.

83. The amount recoverable from Reliance Communication Ltd. is Rs. 79.88 crores and amount payable to Reliance Infratel Ltd. is Rs. 7.03 crores. The companies are under insolvency proceedings before Hon'ble NCLT under IBC, 2016. The provision/write-off against the outstanding dues will be considered on final decision in this matter.

84. The GPF Trust is currently in the process of reconciling and recomputing its liabilities to determine the provident funds payable to employees. The adjustments, if any, resulting from this recomputation/reconciliation will be recognized in the financial statements in the year the reconciliation is finalized.

85. Revenue from operations includes an amount to Rs.7.17 crores booked on provisional basis due to technical glitch in the billing software in Delhi and Mumbai. The final impact of the same will be accounted for once the billing is done through the system.

86. The company has booked the liability towards the Sovereign Guarantee fee of Rs 282.76 Crore payable to Government of India("GOI") in the respective years (i.e.F.Y. 2022-23, 2023-24 & 2024-25) and paid the respective GST thereon under RCM. However, due to financial distress, the company was not able to make payment to DOT and requested DoT vide its letter dated 20.09.2024 that the pending liability of Rs 282.76 Crore on account of Sovereign Guarantee Fees, forthcoming Sovereign Guarantee fee liability in upcoming years, corresponding penal guarantee fee and GST there on shall be settled through equity infusion by the GoI. Since, the matter is under consideration of DoT for equity infusion along with penal Sovereign Guarantee Fee, the amount will be measured and accounting will be addressed accordingly at the later stage as per the decision of GoI.

87. License fee on the Adjusted Gross Revenue (AGR) was calculated and accounted for on accrual basis in respect of both revenue and revenue sharing with other operators till F.Y. 2011-12. As per the directions of Supreme Court given earlier in respect of calculation of License Fees and AGR, the matter was referred back to TDSAT. TDSAT vide its judgment dated 23.04.2015 set aside the impugned demands of DOT and DOT was directed to rework the license fee in the light of their findings. However, MTNL is not a party to the dispute and the AGR is calculated as per License Agreement. The issue of deduction claimed in AGR upto F.Y. 2011-12 in respect of revenue sharing on netting basis with BSNL has been taken up with DOT and BSNL while paying License Fees on actual payment basis from 2012-13 onwards. The impact of Rs. 140.36 crores on this account upto the year 2011-12 has been included in contingent liability. DOT has assessed the LF calculated on the basis of AGR of MTNL. 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. 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. Further, DOT has disallowed certain deductions claimed in the AGR e.g. PSTN charges, IUC payment to other operators etc. The deductions claimed in AGR were disallowed for want of documents from MTNL. MTNL has submitted the documents and the revision of assessment of LF is pending at the end of DOT. The provision assessment order of LF from 2006-07 to 2023-24 and SUC from 2011-12 to 2023-24 issued by DOT shows demand of Rs. 5132.24 crores. The assessment is under revision in view of documents submitted by MTNL to CCA/ DOT. However an amount of Rs. 5132.24 crores is shown as contingent liability. In respect of this Hon'ble Supreme Court judgement and final order dated 24.10.2019 disposing the AGR matter, it is submitted that MTNL was neither a party to Supreme Court case nor MTNL violated the AGR definition as per License Agreement. The same is also pointed out in supreme court judgement dt. 24/10/2019 that MTNL is not party to the litigation. MTNL is following the same definition of AGR as is given in license fee agreements. MTNL is calculating the LF/SUC accordingly since the inception of AGR based LF & SUC. MTNL's accounts are also verified by C&AG and all the LF related entries/ adjustments are verified with AGR statements submitted to CCA. Therefore, the Supreme Court's judgement on AGR is not applicable for MTNL. DoT has sent a demand note for additional 1.4 MHz of reserved spectrum in 900 MHz Band in Mumbai and Delhi LSAs vide No. 1000/1/2023-WF dt. 27-01-2025 for Rs. 1155 crores. The additional 1.4 MHz spectrum allotted to MTNL is not utilized by MTNL and MTNL is requesting DoT for withdrawal of demand note no 1000/1/2023-WF dt. 27-01-2025 for Rs. 1155 crores."

Further a demand letter No. 1000/01/2023-WF dt 23/03/2023 for Rs. 4252.83 crore is also attached with the above demand in respect of spectrum allotment in the 900 MHz and 1800 MHz. The allotment of the captioned 5 MHz spectrum in 900/1800 Mhz band is made as per the OM No F.No. 20-28/2022-PR dated 02/08/2022. As per OM No F.No. 20-28/2022-PR dated 02/08/2022, the allotment of spectrum was decided to be given with budgetary support as equity infusion and the cost on pro-rata basis will be settled for spectrum held by MTNL till date of spectrum allotment to BSNL. However, the spectrum was regularized without budgetary support to MTNL or charging part demand and MTNL is requesting DoT for revision of demand note in accordance with OM dt. 02/08/2022. As the regularisation of 2G spectrum as well as demand of Rs 4252.83 crors is not as per OM issued w r t revival of MTNL /BSNL, the matter is being raised with DOT for withdraw of demand.

In view of above the demands are shown as contingent liability. The list of LF related contingent liability is shown hereafter.

MTNL Corporate Office
Detail of LF Contingent Liability of Licence Fee payable to DOT

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
1	17-90/2005/LF	31-Jul-12	2006-07	9.09
2	17-14/2013/LF	12-May-14	2007-08	214.24
3	17-14/2012/LF	3-Dec-12	2007-08	136.36
4	17-14/2013/LF	12-May-14	2008-09	146.71
5	17-14/2013/LF	12-Mar-13	2008-09	22.52
6	17-18/2013/LF	16-Jun-14	2009-10	144.26
7	17-18/2013/LF	19-Mar-13	2009-10	20.29
8	17-34/2013/LF	24-Jul-14	2010-11	40.94
9	17-19/2016/LFA	3-Oct-16	2011-12	76.29
10	17-34/2013/LF II	20-Dec-16	2010-11	124.34
11	17-34/2013/LF II	20-Dec-16	2010-11	0.86
12	17-20/2016/LFA	27-Dec-16	2012-13	26.60
13	17-19/2016/LFA	6-Jan-17	2011-12	12.93
14	17-19/2016/LFA	6-Mar-17	2011-12	33.50
15	17-19/2016/LFA	6-Mar-17	2011-12	(0.00)
16	17-20/2016/LFA	27-Apr-17	2012-13	5.70
17	17-20/2016/LFA	27-Apr-17	2012-13	0.34
18	17-20/2016/LFA	28-Apr-17	2012-13	0.78
19	17-20/2016/LFA	20-Jul-17	2012-13	1.90
20	17-20/2016/LFA	20-Jul-17	2012-13	0.34
21	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	54.47
22	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	28.89
23	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	0.16
24	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	0.05
25	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	80.75
26	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	20.26
27	17-4/2017/LFA/MTNL	28-Sep-18	2013-14	0.01
28	17-7/2017/LFA/MTNL	22-May-19	2014-15	197.66
29	17-7/2017/LFA/MTNL	22-May-19	2014-15	127.74
30	17-7/2017/LFA/MTNL	22-May-19	2014-15	5.80

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
31	17-7/2017/LFA/MTNL	22-May-19	2014-15	0.09
32	17-7/2017/LFA/MTNL	22-May-19	2014-15	337.08
33	17-7/2017/LFA/MTNL	22-May-19	2014-15	64.96
34	17-7/2017/LFA/MTNL	22-May-19	2014-15	7.16
35	17-43/2019/LFA/MTNL	28-May-19	2015-16	147.29
36	17-43/2019/LFA/MTNL	28-May-19	2015-16	134.41
37	17-43/2019/LFA/MTNL	28-May-19	2015-16	0.73
38	17-43/2019/LFA/MTNL	28-May-19	2015-16	0.06
39	17-43/2019/LFA/MTNL	28-May-19	2015-16	226.75
40	17-43/2019/LFA/MTNL	28-May-19	2015-16	77.51
41	17-43/2019/LFA/MTNL	28-May-19	2015-16	0.52
42	17-50/2019/LFA/MTNL	31-May-23	2016-17	225.74
43	17-50/2019/LFA/MTNL	7-Oct-24	2016-17	147.42
44	17-50/2019/LFA/MTNL	31-May-23	2016-17	87.11
45	17-50/2019/LFA/MTNL	31-May-23	2016-17	284.83
46	17-50/2019/LFA/MTNL	31-May-23	2016-17	61.74
47	17-50/2019/LFA/MTNL	31-May-23	2016-17	122.44
48	17-50/2019/LFA/MTNL	31-May-23	2016-17	0.18
49	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	-
50	17-51/LFA/2019/MTNL	7-Oct-24	2017-18	30.99
51	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	46.84
52	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	-
53	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	8.88
54	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	82.14
55	17-51/LFA/2019/MTNL	17-Jul-23	2017-18	0.01
56	17-51/LFA/2019/MTNL	22-May-24	2018-19	0.91
57	17-52/LFA/2019/MTNL	10-Oct-24	2018-19	0.19
58	17-51/LFA/2019/MTNL	22-May-24	2018-19	44.30
59	17-51/LFA/2019/MTNL	22-May-24	2018-19	2.04
60	17-52/LFA/2019/MTNL	10-Oct-24	2018-19	5.18
61	17-51/LFA/2019/MTNL	22-May-24	2018-19	64.62
62	17-51/LFA/2019/MTNL	22-May-24	2018-19	0.00

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
63	17-53/LFA/2019/MTNL	10-Oct-24	2019-20	142.52
64	17-53/LFA/2019/MTNL	22-May-24	2019-20	115.20
65	17-53/LFA/2019/MTNL	22-May-24	2019-20	0.04
66	17-53/LFA/2019/MTNL	22-May-24	2019-20	47.07
67	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	57.74
68	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	28.52
69	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	56.63
70	17-54/LFA/2021/MTNL	3-Mar-23	2020-21	0.02
71	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	14.96
72	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	6.25
73	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	4.52
74	17-55/LFA/2022/MTNL	3-Jul-23	2021-22	0.00
75	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	8.07
76	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	2.64
77	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	(0.88)
78	1-56/LFA II/2023/MTNL	8-Mar-24	2022-23	0.00
79	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	6.21
80	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	2.10
81	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	-
82	1-56/LFAII/2024/MTNL/2023-24	24-Feb-25	2023-24	0.00
83	1-9/CCA/Rev/Spectrum/Assmt/MTNL/2008-09/3631	1-Jul-24	2008-09	123.73
84	1-9/CCA/Rev/Spectrum/Assmt/MTNL/2009-10/3628	1-Jul-24	2009-10	145.80
85	1-9/CCA/Rev/Spectrum/Assmt/MTNL/2010-11/3675	9-Jul-24	2010-11	116.93
86	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2011-12	0.09
87	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2011-12	62.47
88	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2012-13	0.09
89	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2012-13	17.71
90	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2013-14	0.04
91	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2013-14	1.33
92	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2014-15	0.09

Sr No	DOT Letter No's	Date	F.Y.	Amount Demanded
93	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2014-15	113.79
94	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2015-16	21.76
95	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2015-16	65.19
96	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2016-17	53.65
97	1-9/CCA/Rev/Spectrum/Assmt/MTNL/1439	11-Nov-19	2017-18	(1.52)
98	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2018-19,2019-20&2020-21/11915-171864	17-Apr-23	2018-19	13.15
99	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2018-19,2019-20&2020-21/11915-171864	17-Apr-23	2019-20	(1.63)
100	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2018-19,2019-20&2020-21/11915-171864	17-Apr-23	2020-21	2.29
101	1-9/CCA/Rev/Spectrum/Assmt./MTNL/2021-22/12325-27	19-Jul-23	2021-22	0.06
102	1-9/CCA-DL/Rev/SUC/MTNL/2022-23/3031	12-Apr-24	2022-23	(2.67)
103	1-9/CCA-DL/Rev/SUC/MTNL/2023-24/2285	3-Apr-25	2023-24	(0.89)
104	CCA/MUM/Comm/Spectrum/23	8-Nov-19	2010-11	51.09
105	CCA/MUM/Comm/Spectrum/	8-Nov-19	2011-12	45.65
106	CCA/MUM/Comm/Spectrum/	8-Nov-19	2012-13	27.28
107	CCA/MUM/Comm/Spectrum/62	13-Nov-19	2013-14	0.17
108	CCA/MUM/Comm/Spectrum/64	13-Nov-19	2014-15	7.99
109	CCA/MUM/Comm/Spectrum/	13-Nov-19	2015-16	0.10
110	CCA/MUM/Comm/Spectrum/	13-Nov-19	2016-17	30.96
111	CCA/MUM/Comm/Spectrum/	22-Aug-19	2017-18	-
	Total			**5,132.24**

For and on behalf of the Board of Directors

Sd/-
(A. Robert J. Ravi)
Chairman and Managing Director
DIN 10095013

Sd/-
(Rajiv Kumar)
Director (Finance)
DIN 09811051

For O P Bagla & Co LLP
Chartered Accountants
FRN No. 00018N/N500091

Sd/-
(CA Nitin Jain)
Partner
Membership No. 510841

For S.L.Chhajed & Co. LLP
Chartered Accountants
FRN No. 000709C/C400277

Sd/-
(CA Vijit Baidmutha)
Partner
Membership No. 406044

Sd/-
(Anirudh Prasad Singh)
Chief Financial Officer

Sd/-
(Ratan Mani Sumit)
Company Secretary
Membership No. 15193

Place: New Delhi
Date: 28 May 2025

Annexure to Directors' Report-Comments of Statutory Auditors & Management Replies thereto on the Standalone Financial Statements of MTNL for FY 2024-25

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 year ended March 31st, 2025 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the year under review the Company has also defaulted in repayment of certain installments of term loan amounting to Rs. 1635.36 crores and interest on term loan amounting to Rs.213.60 crores. Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the Company as "Incipient Sick CPSE". Department of Telecommunication (DOT) has also confirmed the status vide its issue no. I/3000697/ 2017 through file no. 19-17/2017-SU-II. These conditions cast significant doubt on ability of the company to continue as going concern. However, the standalone financial statement of the Company has been prepared on a going concern basis keeping in view that the Government of India is holding majority of the shareholding and the below-mentioned initiatives taken by the GOI. Further, Union Cabinet has approved a revival plan involving employee cost reduction, administrative spectrum allotment for 4G, debt restructuring through sovereign-guaranteed bonds, asset monetization, and in-principal approval for merger with BSNL. Further, the Company had implemented the Voluntary Retirement Scheme in FY 2019-20 and also raised funds by issuing Bonds for Rs 6,500 crore in FY 2020-21 in line with the cabinet note.	The Company has incurred a loss of Rs. 3323.51 crores during the period under report. The company has been incurring continuous losses since year 2009-10 (except in FY 2013-14) and the net worth has been fully eroded for the year under report. Considering the continuous losses and negative net worth, the management has made an assessment of its ability to continue as a going concern. In pursuance DoT letter No. F. No. 30- 04/2019-PSU Affairs dated 29th October, 2019 and decision of Board of Directors of MTNL through circular regulation on 04th November 2019, the MTNL Voluntary Retirement Scheme was introduced with effect from 04th November 2019 under which 14,387 number of MTNL employees of all grades opted and granted VRS to reduce the legacy staff costs inherited on account of absorption of employees recruited under government w.e.f. 01.11.1998 and also on 01.10.2000 and the expenditure of ex-gratia on account of compensation was borne by the DOT/Government of India through budgetary supports as per approval of cabinet. The company therefore reduced the staff expenses by more than 75 % which helped the company to reduce its costs and also thereby losses since 2019-20 onwards. Besides, the Government approved the monetization of the lands and buildings of the company with assistance from DIPAM in order the get rid of the huge debt burden on the company. The monetization of land and buildings of the company is in process. In addition to this, Government approved providing 4G license to BSNL and an infusion of fresh capital by the Government in lieu of granting 4G license. As per the deliberations, the maintenance and running of MTNL wireless network has also been taken over by BSNL from 01.04.2021 (in the case of Delhi) and from 01.09.2021 (in the case of Mumbai) onwards to improve the quality of services and also the launching of 4G services of MTNL as and when BSNL launches which also is likely to stabilize the revenue streams.

Sr.No.	Qualification	Management Reply
	The Union Cabinet further approved the issuance of Sovereign Guaranteed Bonds for MTNL for 10 years or more for an amount of Rs. 17,751 Crores, with waiver of guarantee fee. During the year ended March 31st, 2023, the Company has raised Rs. 10,910.00 Crore and Rs. 6,660.99 Crores raised during year ended March 31st, 2024. (refer note no. 78 to the standalone financial statements). Further, a Committee of Secretaries (COS) was constituted by Government of India for reviewing measures for further resolution, including debt restructuring, asset monetization and AGR dues. Pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company. In this regard, we have been informed that certain consumers in Delhi & Mumbai have been migrated to BSNL w.e.f. 01.01.2025 of which revenue has not been recognized by MTNL, amount of which is not ascertained and quantified. Consequently, there is a gap in revenue matching as the expenses of such revenue are borne by MTNL.	Besides as per F.NO.20-28/2022-PR dated 2nd August, 2022, DOT conveyed the decisions of the Union Cabinet in its meeting held on 27.07.2022 for the raising of Sovereign Guarantee backed bonds for MTNL with a tenure of 10 years for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high-cost debt and restructure it with new sustainable loan which has been raised Rs. 10,910 Crs. & Rs 6,661/- during the year 2022-23 & 2023-24 respectively. The company will be able to manage the payment of interest due on Sovereign Guarantee backed bonds with the support of Government of India in the form of soft loan of Rs 1151 crore during the year 2024-25. Also, in view of such unsustainable debts of MTNL, a committee of Secretaries was constituted by the Govt. to examine matters such as asset monetization, AGR dues, debt restructuring etc. for further course of action for the merger of MTNL & BSNL. The government also allocated budgetary support of Rs. 1851 crores for network up gradation of MTNL by BSNL as a precursor to operational integration. Also, BSNL has to provide all telecom services in Delhi & Mumbai through leasing of operational assets or other appropriate models. Further pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company. For the issue of mounting debts as well as other to be referred to Committee of Secretaries and same are at present under review and before COS recommend way forward in case of MTNL, the case for further support to MTNL to manage its working capital is being contemplated. All of the above aspects are considered by the management while preparing the financial statements and an assessment of its ability to continue as a going concern is made accordingly as required in SA (570) and Para 25 & 26 of Ind AS 1 "Presentation of Financial Statements' the company is continuously having support of Govt. in managing its issues.

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ii	Due to /Receivables from Bharat Sanchar Nigam Limited (BSNL): a) The Company has outstanding receivables and payables with BSNL, with a net recoverable amount of Rs. 3,565.04 crores, which remains unreconciled and unconfirmed. Due to pending disputes and lack of confirmation, the recoverability and accuracy of these balances, their impact on the standalone financial results for the year ended March 31, 2025, cannot be determined. .	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 all such claims. As such, in the past BSNL settled the service connection issues and also certain other claims of tele-com revenue. Besides IUC and roaming charges payable between MTNL & BSNL were already settled after BSNL & MTNL agreeing to the applicable rates in the year under report. All such issues now are under process for settlement, since both being PSUs under DOT, and management of both is common and also BSNL has to provide all telecom services in Delhi & Mumbai through leasing of operational assets or other appropriate models. Further pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation. In view of above, no impact is anticipated at this stage and, besides in view of ongoing synergy no such ascertainable impact is likely to crop up in future also.
	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 overstatement of Current Assets and understatement of loss to that extent.	b) The major portion i.e. Rs 106 Crs pertains to BSNL and some portion relates pre POTR regime which allowed payment by BSNL to service tax dept. only when it is paid for the invoices and remaining amount pertains post POTR regime when payment of service tax was to be made while raising invoice itself. As service tax credits including Pre & Post POTR credits were lapsed, due to non-settlement, on inception of GST regime the method of settlement is under review. As such management has considered the issue in its entirety and the matter is under mutual deliberations between BSNL & MTNL for arriving at mutually acceptable and tenable resolution to the issue. On conclusions of the same, appropriate action will be taken on this issue. Amount pertains to other than BSNL has been provided for during FY 2024-25.

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iii	The Company has net recoverable balances of Rs. 232.76 crores with the Department of Telecommunication (DOT), which remain unreconciled and unconfirmed. Accordingly, we are unable to comment on the accuracy of these balances or their impact on the standalone financial statements for the year ended March 31, 2025. (Also refer point no. (a) of note no. 70 to the standalone financial statements).	Management has taken up the matter of reconciliation and settlement of amounts which ever are not confirmed with the administrative ministry. However, there are recoverable amounts particularly claims on account of old bonds and other miscellaneous claims which are clearly identified and processed for settlement with DOT. The matter has been taken up with highest level of officers of DOT for reconciliation and confirmation. DoT has settled MTNL claims including service connections, CGESIS etc . in the past and it is also expected that similar action will be taken by DoT in respect of other claims also. In view of above the balances of DOT both receivables and payables are constantly under review and are being settled also. Besides DOT, as administrative ministry have been striving extraordinarily for revival of MTNL and settlement its issues. Therefore due to all these acts, the reconciliation being an on-going process which is on and accordingly the management does not perceive any impact on this count.
iv	The Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 197.87 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the correctness of the outstanding balance as above and resultant impact on standalone financial statements of the Company.	The main debtors on accounts of amount recoverable from BSNL & other operators are lying under various other HOA 090708, 090788, and 090710, whereas the service tax recoverable portion of the same debtors is lying under main HOA 0707 as well as service tax payable before POTR is lying under main HOA 1327 which has been adjusted against the service tax recoverable pre POTR period and the amount of Rs 64.27 crores related to after POTR period, which is due to be recoverable from BSNL & other operators. Accordingly, the issue of reconciliation of old recoverable (including service tax recoverable) is being continuously followed with the operators and efforts are being made to recover the debts along with service tax portion. Therefore, due to all these acts and the reconciliation being an on-going process which is on and accordingly the management does not perceive any impact on this count.

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v	Up to the financial year 2011-12, License Fee payable to the DOT on IUC charges to BSNL was worked out on an 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 the financial year 2012-13 onwards, the license fee payable to the DOT has been worked out strictly in terms of the license agreements. (Refer note no. 82 to the standalone 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 this 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.
vi	Apart from impairment losses previously recognized for CDMA assets, no further impairment has been accounted for under Ind AS 36 during the year ended March 31, 2025. Due to uncertainties in achieving the Company's future projections, we are unable to determine the adequacy of impairment provisions and their impact on the current year's loss, other equity, and the carrying value of cash-generating units. (Refer note no. 72 to the standalone 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 for the period ending 31.3.2025, 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 as the losses are primarily due to extraneous reasons viz. not having 4-G to render effective and sought after mobile services and also dwindling wire-line revenues due to quantum shift of subscriber calling pattern from wire-line to wireless 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 according to management there may not be any impact on this count.
vii	The Company does not follow a system of obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, deposits with Government Departments and others, claim recoverable from operators and other parties and amount payable to trade payables, claim payable to operators, and amount payable to other parties.	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

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	Accordingly, amounts receivable from and payable to the various parties are subject to confirmation and reconciliation. Pending such confirmation and reconciliation, the impact thereof on the standalone financial statements are not ascertainable and quantifiable. (Refer note no. 67 to the standalone financial statements).	resolution through arbitration or courts. Further NLD and ILD operators' dues are paid on regular basis on the basis of interconnect agreements and regular reconciliation are being done before settlement, hence no specific confirmation is needed from them. Since the payables and receivables are settled as stated above and the same is a continuous process and also as there are no specific disputes brought to compass notice as to the quantum of payables or receivables from excess as provided in books or disclosed in contingent liability. There is no impact other than disclosed in financial statements.
viii	The Company does not follow a system of reconciliation of difference between TDS balance as per book and as per TDS certificate and form 26AS under Income-tax Act as applicable. Pending such reconciliation the impact thereof if any on the standalone financial statement is not ascertainable and quantifiable	The reconciliation of income tax refund w r t TDS balance as per books and as per TDS certificate and form 26AS is a continuous process. Reconciliation of income tax refund w r t TDS balance as per books and as per TDS certificate and form 26AS for the period up to 2014-15 has already been completed and remaining period it is under process. As the reconciliation is a continuous process there may not be any impact on this count.
ix	Unlinked credit of Rs. 77.29 Crore 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 statements are not ascertainable and quantifiable. (Also refer note no. 66 to the standalone financial statements).	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 constantly under process and same will be completed in due course of time and amount will be booked to correct head of account. Since this is purely accounting classification matter, no impact will be there.
x	Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by the finance department in respect of bought out capital items or	Necessary instructions are being reiterated from time to time 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.

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	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 statements by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.	In view of above and also the on-going 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.
xi	The Department of Telecommunication (DOT) raised a demand of Rs. 3,313.15 crores in 2012–13 towards one-time charges for 2G spectrum for the period of license already lapsed and also for the spectrum given on trial basis. As the matter remains sub judice and the issue of partial spectrum surrender is pending, no liability has been recognized for the same and an amount of Rs.3,205.71 Crores has been disclosed as contingent liability till FY 2018-19, although no further demands have been raised by the DOT. Based on TDSAT's directions and management's assessment, the potential liability is now estimated at a maximum of Rs. 455.15 crores and disclosed as a 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 statement of the Company. (Also refer note no. 61 to the standalone financial statements).	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 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 Rs.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

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		contingent liability of Rs.455.15 crores is estimated on the basis 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 line. 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.
xii	The company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter in some of the cases. The actual impact of the same on the standalone financial Statement for the year ended March 31, 2025, has not been ascertained and quantified.	It is already instructed to charge GST vide IM 36 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 neutralizing and nil effect. Further, the sub-meter has already been installed except in few cases, which is left out due to non-feasibility and instructions is being reiterated to units to comply and further action will be taken on confirmation of not having meter in current year, if such instances are found out.
xiii	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 statement for the year ended March 31, 2025, has not been ascertained and quantified.	TDS is being deducted on vendors bills as and when credited when invoice is 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 the same is reviewed and reversed, if necessary, in the next year 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 credit to party account. This practice is being followed in MTNL consistently. The expert opinion from tax consultant also 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 as such.

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xiv	The Company is making the provision for interest for late/non-payment to MSME vendors, but such interest is not being paid to the vendors. The interest provision is further subject to deduction of tax under section 194A of Income Tax Act, 1961.The actual impact of the same on the consolidated financial statements for the year ended March 31, 2025, has not been 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 on 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.
xv	The organization has recognized accrued income of Rs. 145.84 crores from BSNL and other parties from the year 2017 to 2025; as billing could not be processed due to a lack of confirmation from the parties or because the agreements with them have expired. However, the organization has not accounted for the GST liability despite the services already being rendered. This results in non-compliance with Section 13 and Section 31 of the CGST Act, 2017.	Instruction is already being issue to the units to comply the GST rules in respect of issuance of invoices. Hence, there is no impact other than the disclosed in the financial statement.
xvi	The Company currently recognizes Expected Credit Loss (ECL) only on Trade Receivables and not on other financial assets, specifically claim recoverable. This accounting treatment is not in compliance with Ind AS 109 – Financial Instruments, which mandates that ECL should be recognized on all financial assets measured at amortized cost or at fair value through other comprehensive income, including claim	Given the nature of the counterparties, the absence of significant credit deterioration, and the lack of reliable data to estimate probability of default, the Company has exercised its judgment under the principles of materiality and prudence to defer ECL recognition until more concrete evidence of impairment is available. This approach is consistent with the intent and flexibility provided under Ind AS 109, and ensures that provisioning is based on objective and supportable evidence, rather than speculative assumptions. Accordingly, the amount recoverable

<table>
<tr><th>Sr.No.</th><th>Qualification</th><th>Management Reply</th></tr>
<tr><td></td><td>recoverable. The ECL model adopted by the Company requires a comprehensive review to ensure full compliance with Ind AS 109. However, the financial impact of provisioning required under the following balances has not been considered by the Company.
<table><tr><th>Particulars</th><th>Amount (In crs)</th></tr><tr><td>Recoverable from IUC operators</td><td>394.00</td></tr><tr><td>Recoverable from Others</td><td>442.83</td></tr></table></td><td>from operators (incl. BSNL), (related party), which is based on the one-to-one agreement and mostly covered with the PBG are not being considered for making provision like debtors and O/s in such cases are being reviewed on case-to-case basis for written off or making provision as an when any indication of impairment arises for such assets. As such, not considered for computation of ECL and this practice is followed consistently since implementation of Ind AS in MTNL.</td></tr>
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Annexure to Directors' Report-Comments of Statutory Auditors & Management Replies thereto on the Consolidated Financial Statements of MTNL for FY 2024-25

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i	The Net Worth of the Company has been fully eroded; The Company has incurred net cash loss during the year ended March 31st, 2025 as well as in the previous year and the current liabilities exceeded the current assets substantially. Further, during the year under review the Company has also defaulted in repayment of certain installments of term loan amounting to Rs. 1635.36 crores and interest on term loan amounting to Rs.213.60 crores. Furthermore, Department of Public Enterprises vide its Office Memorandum No. DPE/5(1)/2014-Fin. (Part-IX-A) has classified the status of the Company as "Incipient Sick CPSE". Department of Telecommunication (DOT) has also confirmed the status vide its issue no. I/3000697/ 2017 through file no. 19-17/2017-SU-II. These conditions cast significant doubt on ability of the company to continue as going concern. However, the consolidated financial statement of the Company has been prepared on a going concern basis keeping in view that the Government of India is holding majority of the shareholding and the below-mentioned initiatives taken by the GOI. Further, Union Cabinet has approved a revival plan involving employee cost reduction, administrative spectrum allotment for 4G, debt restructuring through sovereign-guaranteed bonds, asset monetization, and in-principal approval for merger with BSNL. Further, the Company had implemented the Voluntary Retirement Scheme in FY 2019-20 and also raised funds by issuing Bonds for Rs 6,500 crore in FY 2020-21 in line with the cabinet note.	The Company has incurred a loss of Rs. 3323.51 crores during the period under report. The company has been incurring continuous losses since year 2009-10 (except in FY 2013-14) and the net worth has been fully eroded for the year under report. Considering the continuous losses and negative net worth, the management has made an assessment of its ability to continue as a going concern. In pursuance DoT letter No. F. No. 30- 04/2019-PSU Affairs dated 29th October, 2019 and decision of Board of Directors of MTNL through circular regulation on 04th November 2019, the MTNL Voluntary Retirement Scheme was introduced with effect from 04th November 2019 under which 14,387 number of MTNL employees of all grades opted and granted VRS to reduce the legacy staff costs inherited on account of absorption of employees recruited under government w.e.f. 01.11.1998 and also on 01.10.2000 and the expenditure of ex-gratia on account of compensation was borne by the DOT/Government of India through budgetary supports as per approval of cabinet. The company therefore reduced the staff expenses by more than 75 % which helped the company to reduce its costs and also thereby losses since 2019-20 onwards. Besides, the Government approved the monetization of the lands and buildings of the company with assistance from DIPAM in order the get rid of the huge debt burden on the company. The monetization of land and buildings of the company is in process. In addition to this, Government approved providing 4G license to BSNL and an infusion of fresh capital by the Government in lieu of granting 4G license. As per the deliberations, the maintenance and running of MTNL wireless network has also been taken over by BSNL from 01.04.2021 (in the case of Delhi) and from 01.09.2021 (in the case of Mumbai) onwards to improve the quality of services and also the launching of 4G services of MTNL as and when BSNL launches which also is likely to stabilize the revenue streams.

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	The Union Cabinet further approved the issuance of Sovereign Guaranteed Bonds for MTNL for 10 years or more for an amount of Rs. 17,751 Crores, with waiver of guarantee fee. During the year ended March 31st, 2023, the Company has raised Rs. 10,910.00 Crore and Rs. 6,660.99 Crores raised during year ended March 31st, 2024. (refer note no. 78 to the consolidated financial statements). Further, a Committee of Secretaries (COS) was constituted by Government of India for reviewing measures for further resolution, including debt restructuring, asset monetization and AGR dues. Pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company. In this regard, we have been informed that certain consumers in Delhi & Mumbai have been migrated to BSNL w.e.f. 01.01.2025 of which revenue has not been recognized by MTNL, amount of which is not ascertained and quantified. Consequently, there is a gap in revenue matching as the expenses of such revenue are borne by MTNL.	Besides as per F.NO.20-28/2022-PR dated 2nd August, 2022, DOT conveyed the decisions of the Union Cabinet in its meeting held on 27.07.2022 for the raising of Sovereign Guarantee backed bonds for MTNL with a tenure of 10 years for an amount of Rs. 17,571 crores with waiver of guarantee fee to repay its high-cost debt and restructure it with new sustainable loan which has been raised Rs. 10,910 Crs. & Rs 6,661/- during the year 2022-23 & 2023-24 respectively. The company will be able to manage the payment of interest due on Sovereign Guarantee backed bonds with the support of Government of India in the form of soft loan of Rs 1151 crore during the year 2024-25. Also, in view of such unsustainable debts of MTNL, a committee of Secretaries was constituted by the Govt. to examine matters such as asset monetization, AGR dues, debt restructuring etc. for further course of action for the merger of MTNL & BSNL. The government also allocated budgetary support of Rs. 1851 crores for network up gradation of MTNL by BSNL as a precursor to operational integration. Also, BSNL has to provide all telecom services in Delhi & Mumbai through leasing of operational assets or other appropriate models. Further pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation of the company. For the issue of mounting debts as well as other to be referred to Committee of Secretaries and same are at present under review and before COS recommend way forward in case of MTNL, the case for further support to MTNL to manage its working capital is being contemplated. All of the above aspects are considered by the management while preparing the financial statements and an assessment of its ability to continue as a going concern is made accordingly as required in SA (570) and Para 25 & 26 of Ind AS 1 "Presentation of Financial Statements' the company is continuously having support of Govt. in managing its issues.

Sr.No.	Qualification	Management Reply
ii	**Due to /Receivables from 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. 3565.04 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 statements 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 overstatement of Current Assets and understatement of loss to that extent.	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 all such claims. As such, in the past BSNL settled the service connection issues and also certain other claims of tele-com revenue. Besides IUC and roaming charges payable between MTNL & BSNL were already settled after BSNL & MTNL agreeing to the applicable rates in the year under report. All such issues now are under process for settlement, since both being PSUs under DOT, and management of both is common and also BSNL has to provide all telecom services in Delhi & Mumbai through leasing of operational assets or other appropriate models. Further pursuant to the service agreement entered on 22-11-2024 with BSNL, the entire telecom operations of company in Delhi & Mumbai are being run by BSNL w.e.f. 01-01-2025. BSNL shall also take care of CAPEX & OPEX for the smooth running of operation and ensure EBIDTA neutral operation. In view of above, no impact is anticipated at this stage and, besides in view of ongoing synergy no such ascertainable impact is likely to crop up in future also. b) The major portion i.e. Rs 106 Crs pertains to BSNL and some portion relates pre POTR regime which allowed payment by BSNL to service tax dept. only when it is paid for the invoices and remaining amount pertains post POTR regime when payment of service tax was to be made while raising invoice itself. As service tax credits including Pre & Post POTR credits were lapsed, due to non-settlement, on inception of GST regime the method of settlement is under review. As such management has considered the issue in its entirety and the matter is under mutual deliberations between BSNL & MTNL for arriving at mutually acceptable and tenable resolution to the issue. On conclusions of the same, appropriate action will be taken on this issue. Amount pertains to other than BSNL has been provided for during FY 2024-25.

Sr.No.	Qualification	Management Reply
iii	The Holding Company has net amount recoverable of Rs. 232.76 Crores, with the Department of Telecommunication (DOT), is subject to reconciliation and confirmation. In view of non-reconciliation and non-confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the Consolidated financial statements of the Holding Company.	Management has taken up the matter of reconciliation and settlement of amounts which ever are not confirmed with the administrative ministry. However, there are recoverable amounts particularly claims on account of old bonds and other miscellaneous claims which are clearly identified and processed for settlement with DOT. The matter has been taken up with highest level of officers of DOT for reconciliation and confirmation. DoT has settled MTNL claims including service connections, CGESIS etc . in the past and it is also expected that similar action will be taken by DoT in respect of other claims also. In view of above the balances of DOT both receivables and payables are constantly under review and are being settled also. Besides DOT, as administrative ministry have been striving extraordinarily for revival of MTNL and settlement its issues. Therefore due to all these acts, the reconciliation being an on-going process which is on and accordingly the management does not perceive any impact on this count.
iv	The Holding Company has certain balances recoverable from its debtors on account of service tax amounting to Rs. 197.87 crores. The balance is recoverable from BSNL and various private parties which are subject to reconciliation and confirmation. Further identification of balance on account of BSNL and other parties are not available. In the absence of reconciliation and confirmation we are not in a position to comment on the correctness of the outstanding balance as above and resultant impact on Consolidated Ind-AS financial statements of the Company.	The main debtors on accounts of amount recoverable from BSNL & other operators are lying under various other HOA 090708, 090788, and 090710, whereas the service tax recoverable portion of the same debtors is lying under main HOA 0707 as well as service tax payable before POTR is lying under main HOA 1327 which has been adjusted against the service tax recoverable pre POTR period and the amount of Rs 64.27 crores related to after POTR period, which is due to be recoverable from BSNL & other operators. Accordingly, the issue of reconciliation of old recoverable (including service tax recoverable) is being continuously followed with the operators and efforts are being made to recover the debts along with service tax portion. Therefore, due to all these acts and the reconciliation being an on-going process which is on and accordingly the management does not perceive any impact on this count.

Sr.No.	Qualification	Management Reply
v	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.	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 this 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.
vi	Apart from impairment losses previously recognized for CDMA assets, no further impairment has been accounted for under Ind AS 36 during the year ended March 31, 2025. Due to uncertainties in achieving the Company's future projections, we are unable to determine the adequacy of impairment provisions and their impact on the current year's loss, other equity, and the carrying value of cash-generating units.	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 for the period ending 31.3.2025, 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 as the losses are primarily due to extraneous reasons viz. not having 4-G to render effective and sought after mobile services and also dwindling wire-line revenues due to quantum shift of subscriber calling pattern from wire-line to wireless 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 according to management there may not be any impact on this count.

Sr.No.	Qualification	Management Reply
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 statements are not ascertainable and quantifiable.	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. Further NLD and ILD operators' dues are paid on regular basis on the basis of interconnect agreements and regular reconciliation are being done before settlement, hence no specific confirmation is needed from them. Since the payables and receivables are settled as stated above and the same is a continuous process and also as there are no specific disputes brought to compass notice as to the quantum of payables or receivables from excess as provided in books or disclosed in contingent liability. There is no impact other than disclosed in financial statements.
viii	The Holding Company does not follow a system of reconciliation of difference between TDS balance as per book and as per TDS certificate and form 26AS under Income-tax Act as applicable. Pending such reconciliation the impact thereof if any on the Consolidated Ind- AS financial statement is not ascertainable and quantifiable.	The reconciliation of income tax refund w r t TDS balance as per books and as per TDS certificate and form 26AS is a continuous process. Reconciliation of income tax refund w r t TDS balance as per books and as per TDS certificate and form 26AS for the period up to 2014-15 has already been completed and remaining period it is under process. As the reconciliation is a continuous process there may not be any impact on this count.
ix	Unlinked credit of Rs. 77.29 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 statements are not ascertainable and quantifiable.	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 constantly under process and same will be completed in due course of time and amount will be booked to correct head of account. Since this is purely accounting classification matter, no impact will be there.

Sr.No.	Qualification	Management Reply
x	Property, Plant and Equipment are generally capitalized on the basis of completion certificates issued by the engineering department or bills received by finance department in respect of bought out capital items or inventory issued from the Stores. Due to delays in issuance of the completion certificates or receipt of the bills or receipt of inventory issue slips, there are cases where capitalization of the Property, Plant and Equipment gets deferred to next year. We are unable to comment whether the Capital Work-in-progress (CWIP) shown in books in the current year are actually part of CWIP or have already been commissioned. The resultant impact of the same on the consolidated financial statements by way of depreciation and amount of Property, Plant and Equipment capitalized in the balance sheet cannot be ascertained and quantified.	Necessary instructions are being reiterated from time to time 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. In view of above and also the on-going 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.
xi	Department of Telecommunication (DOT) had raised a demand of Rs. 3,313.15 Crores in 2012-13 on account of one time charges for 2G spectrum held by the Company for GSM and CDMA for the period of license already elapsed and also for the remaining valid period of license including spectrum given on trial basis. Also as explained, pending finality of the issue by the Company regarding surrender of a part of the spectrum, crystallization of issue by the DOT in view of the claim being contested by private operators and because of the matter being sub-judice in the Apex Court on account of dispute by other private operators on the similar demands, the amount payable,	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 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 Rs.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

Sr.No.	Qualification	Management Reply
	if any, is indeterminate. Accordingly, no liability has been created for the demand made by DOT on this account and Rs. 3,205.71 Crores has been disclosed as contingent liability till FY 2018-19 although no further demand is there from DOT till date. However as explained further, the TDSAT while setting aside the levy of 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 statements of the Holding Company.	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 Rs.455.15 crores is estimated on the basis 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 line. 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.
xii	The Holding Company has recovered Electricity Charges from the tenants, on which liability for Goods and Services Tax (GST) has not been considered, as the expenses recovered without installing sub meter. The actual impact of the same on the consolidated financial statement for the year ended March 31, 2025 is not ascertained and quantified.	It is already instructed to charge GST vide IM 36 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 neutralizing and nil effect. Further, the sub-meter has already been installed except in few cases, which is left out due to non-feasibility and instructions is being reiterated to units to comply and further action will be taken on confirmation of not having meter in current year, if such instances are found out.

Sr.No.	Qualification	Management Reply
xiii	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 statement for the year ended March 31, 2025 is not ascertained and quantified	TDS is being deducted on vendors bills as and when credited when invoice is 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 the same is reviewed and reversed, if necessary, in the next year 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 credit to party account. This practice is being followed in MTNL consistently. The expert opinion from tax consultant also 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 as such.
xiv	The Holding Company is making the provision for interest for late/non-payment to MSME vendors, but such interest is not being paid to the vendors. The interest provision is further subject to deduction of tax under section 194A of Income Tax Act, 1961.The actual impact of the same on the consolidated financial statements for the year ended March 31, 2025, has not been 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 on 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.
xv	The organization has recognized accrued income of Rs. 145.84 crores from BSNL and other parties from the year 2017 to 2025; as billing could not be processed due to a lack of confirmation from the parties or because the agreements with	Instruction is already being issue to the units to comply the GST rules in respect of issuance of invoices. Hence, there is no impact other than the disclosed in the financial statement.

<table>
<tr><th>Sr.No.</th><th>Qualification</th><th>Management Reply</th></tr>
<tr><td></td><td>them have expired. However, the organization has not accounted for the GST liability despite the services already being rendered. This results in non-compliance with Section 13 and Section 31 of the CGST Act, 2017.</td><td></td></tr>
<tr><td>xvi</td><td>The Company currently recognizes Expected Credit Loss (ECL) only on Trade Receivables and not on other financial assets, specifically claim recoverable. This accounting treatment is not in compliance with Ind AS 109 – Financial Instruments, which mandates that ECL should be recognized on all financial assets measured at amortized cost or at fair value through other comprehensive income, including claim recoverable. The ECL model adopted by the Company requires a comprehensive review to ensure full compliance with Ind AS 109. However, the financial impact of provisioning required under the following balances has not been considered by the Company.
<table>
<tr><th>Particulars</th><th>Amount (In crs)</th></tr>
<tr><td>Recoverable from IUC operators</td><td>394.00</td></tr>
<tr><td>Recoverable from Others</td><td>442.83</td></tr>
</table></td><td>Given the nature of the counterparties, the absence of significant credit deterioration, and the lack of reliable data to estimate probability of default, the Company has exercised its judgment under the principles of materiality and prudence to defer ECL recognition until more concrete evidence of impairment is available. This approach is consistent with the intent and flexibility provided under Ind AS 109, and ensures that provisioning is based on objective and supportable evidence, rather than speculative assumptions. Accordingly, the amount recoverable from operators (incl. BSNL), (related party), which is based on the one-to-one agreement and mostly covered with the PBG are not being considered for making provision like debtors and O/s in such cases are being reviewed on case-to-case basis for written off or making provision as an when any indication of impairment arises for such assets. As such, not considered for computation of ECL and this practice is followed consistently since implementation of Ind AS in MTNL.</td></tr>
</table>

Azadi Ka Amrit Mahotsav

सत्यमेव जयते

No. F&C/AMG-III/MTNL/A/cs/2024-25/F-30

OFFICE OF THE

DIRECTOR GENERAL OF AUDIT, FINANCE & COMMUNICATION
SHAMNATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054

Date: 12-09-2025

To

The Chairman and Managing Director,
Mahanagar Telephone Nigam Limited.
Delhi

Subject: Comments of the Comptroller & Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Annual Accounts of MTNL (Consolidated & Standalone) for year 2024-25.

Sir,

I am forwarding herewith the comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Annual Accounts of MTNL (Consolidated & Standalone) for the Year 2024-25 for information and necessary Action.

Yours faithfully,

Encl: As above.

Sd-/
(V.P Sudhir)
Deputy Director of Audit
(Finance & Communication)

Telephone :	E-mail :	Fax :
011-233814747 / 4623 / 2666	pdafincom@cag.gov.in	+91-011-23813822

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE YEAR ENDED 31ST MARCH 2025

The preparation of consolidated financial statements of MAHANAGAR TELEPHONE NIGAM LIMITED for the year ended 31st March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of Consolidated Financial Statements of MAHANAGAR TELEPHONE NIGAM LIMITED for the year ended 31st March 2025 under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements. We conducted the supplementary audit of financial statements of Mahanagar Telephone Nigam Limited and Millennium Telecom Limited but we did not conduct a supplementary audit of the financial statements of Mahanagar Telephone Mauritius Limited (wholly owned subsidiary of the company) and MTML Data Ltd. & MTML International Ltd. (Step down subsidiaries), United Telecom Limited & MTNL STPI IT Services Ltd. (jointly controlled entities) for the year ended on that date. **Further, section 139(5) and 143(6)(a) of the Act are not applicable to Mahanagar Telephone Mauritius Limited and MTML Data Ltd., MTML International Ltd., United Telecommunications Limited & MTNL STPI IT Services Ltd. being private entities/entities incorporated in Foreign Countries under the respective Laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and

which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Balance Sheet

Current Liabilities: ₹ 12993.62 crore

Other Current liabilities (Note no. 36): ₹ 865.79 crore

i) The above does not include ₹282.76 crore on account of outstanding dues of guarantee fee payable to the Department of Telecommunication on the Soverign Guarantee. This has resulted into understatement of current liabilities as well as loss by ₹282.76 crore and overstatement of contingent liabilities by the same amount.

ii) The above does not include an amount of ₹1155 crore (excluding GST) on spectrum due for additional 1.4 MHz of spectrum in Mumbai and Delhi demanded by DoT. This has resulted into understatement of Current liabilities as well as loss by ₹1155 crore (excluding GST) and overstatement of contingent liabilities by the same amount.

B. Comments on Disclosure

Cash and Cash equivalents amounting to ₹163.57 Crore include an amount of ₹2.64 Crore kept in the Union Bank of India. As the Union Bank of India had declared the loan taken by MTNL as Non-Performing Assets, the amount available in these accounts cannot be used by the MTNL. This fact has not been disclosed in the books of accounts.

For and on behalf of the
Comptroller & Auditor General of India

Sd-/
(Khalid Bin Jamal)
Director General of Audit
(Finance & Communication)

Place: Delhi
Date: 12.09.2025

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE YEAR ENDED 31st MARCH 2025

The preparation of Financial Statements of Mahanagar Telephone Nigam Limited (MTNL) for the year ended 31st March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor/ Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th May 2025.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the Financial Statements of Mahanagar Telephone Nigam Limited for the year ended 31st March 2025. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related audit report:

A. Balance Sheet

Current Liabilities: ₹12973.97 crore

Other Current liabilities (Note no. 33): ₹865.07 crore

i) The above does not include ₹282.76 crore on account of outstanding dues of guarantee fee payable to the Department of Telecommunication on the Soverign Guarantee. This has resulted into understatement of current liabilities as well as loss by ₹282.76 crore and overstatement of contingent liabilities by the same amount.

ii) The above does not include an amount of ₹1155 crore (excluding GST) on spectrum due for additional 1.4 MHz of spectrum in Mumbai and Delhi demanded by DoT. This has resulted into understatement of Current liabilities as well as loss by ₹1155 crore (excluding GST) and overstatement of contingent liabilities by the same amount.

B. Comments on Disclosure

Cash and Cash equivalents amounting to ₹163.57 Crore include an amount of ₹2.64 Crore kept in the Union Bank of India. As the Union Bank of India had declared the loan taken by MTNL as Non-Performing Assets, the amount available in these accounts cannot be used by the MTNL. This fact has not been disclosed in the books of accounts.

For and on behalf of the
Comptroller & Auditor General of India

Sd-/
(Khalid Bin Jamal)
Director General of Audit
(Finance & Communication)

Place: Delhi
Date: 12.09.2025

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE YEAR ENDED 31st MARCH 2025

Comments of CAG	Reply of MTNL Management
The preparation of Financial Statements of Mahanagar Telephone Nigam Limited (MTNL) for the year ended 31st March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor/ Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th May 2025. I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the Financial Statements of Mahanagar Telephone Nigam Limited for the year ended 31st March 2025. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related audit report:	

Comments of CAG	Reply of MTNL Management
A. Balance Sheet **Current Liabilities: ₹12973.97 crore** **Other Current liabilities (Note no. 33): ₹865.07 crore**	
i) The above does not include ₹282.76 crore on account of outstanding dues of guarantee fee payable to the Department of Telecommunication on the Soverign Guarantee. This has resulted into understatement of current liabilities as well as loss by ₹282.76 crore and overstatement of contingent liabilities by the same amount.	MTNL has booked the total expense towards SG Fees of Rs 282.76 Crore in the respective years (i.e. F.Y. 2022-23, 2023-24 & 2024-25) and paid the respective GST thereon under RCM. However, due to financial distress, the said SG Fees could not be remitted to DOT. The non-remittance of SG Fees to DoT may attract penalties to the extent of outstanding SG Fees payable to DOT. Accordingly, MTNL has requested DoT vide its letter dated 20.09.2024 that the pending liability of Rs 282.76 Crore on account of SG Fees, forthcoming SG fee liability in upcoming years, and corresponding penal guarantee fee arise, if any, and GST liability thereon shall be settled through equity infusion by the GoI. Since the matter is being taken up with DoT for further review and consideration and till final resolution, the amount of penal S G fees is disclosed as contingent liability in the financial statements.
ii) The above does not include an amount of ₹1155 crore (excluding GST) on spectrum due for additional 1.4 MHz of spectrum in Mumbai and Delhi demanded by DoT. This has resulted into understatement of Current liabilities as well as loss by ₹1155 crore (excluding GST) and overstatement of contingent liabilities by the same amount.	As per Technical and planning division of MTNL, the additional 1.4 MHz spectrum for which the DOT issued demands for Rs 1155 crores is not being used by MTNL. Accordingly, the matter has been referred to BSNL for further taking up the issue with DOT. In view of above, till finalization of the issue by DOT, the demand letter to MTNL for additional 1.4 MHz spectrum is disclosed as contingent liability in the financials of March-25.

Comments of CAG	Reply of MTNL Management
B. Comments on Disclosure Cash and Cash equivalents amounting to ₹163.57 Crore include an amount of ₹2.64 Crore kept in the Union Bank of India. As the Union Bank of India had declared the loan taken by MTNL as Non-Performing Assets, the amount available in these accounts cannot be used by the MTNL. This fact has not been disclosed in the books of accounts.	The amount has been released by the bank and transferred to corporate bank accounts in July-25. As such the matter was already under consideration with the bank for release of amount as on 31-03-2025, hence there is no requirement of any specific disclosure in the financials of FY 2024-25.

Sd/-
(Anirudh Prasad Singh)
CFO & GM (Finance)
MTNL CO

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHANAGAR TELEPHONE NIGAM LIMITED FOR THE YEAR ENDED 31ST MARCH 2025

Comments of CAG	Reply of MTNL Management
The preparation of consolidated financial statements of MAHANAGAR TELEPHONE NIGAM LIMITED for the year ended 31st March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th May 2025. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of Consolidated Financial Statements of MAHANAGAR TELEPHONE NIGAM LIMITED for the year ended 31st March 2025 under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements. We conducted the supplementary audit of financial statements of Mahanagar Telephone Nigam Limited and Millennium Telecom Limited but we did not conduct a supplementary audit of the financial statements of Mahanagar Telephone Mauritius Limited (wholly owned subsidiaries of the company) and MTML Data Ltd. & MTML International Ltd. (Step down subsidiaries), United Telecom Limited & MTNL STPI IT Services Ltd. (jointly controlled entities) for the year ended on that date. **Further, section 139(5) and 143(6)(a) of the Act are not applicable to Mahanagar Telephone Mauritius Limited and MTML Data Ltd., MTML International Ltd., United Telecommunications Limited & MTNL STPI IT Services Ltd. being private entities/entities incorporated in Foreign Countries under the respective Laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and**	

Comments of CAG	Reply of MTNL Management
Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report: **A. Balance Sheet** **Current Liabilities: ₹12993.62 crore** **Other Current liabilities (Note no. 36): ₹865.79 crore**	
i) The above does not include ₹282.76 crore on account of outstanding dues of guarantee fee payable to the Department of Telecommunication on the Soverign Guarantee. This has resulted into understatement of current liabilities as well as loss by ₹282.76 crore and overstatement of contingent liabilities by the same amount.	MTNL has booked the total expense towards SG Fees of Rs 282.76 Crore in the respective years (i.e. F.Y. 2022-23, 2023-24 & 2024-25) and paid the respective GST thereon under RCM. However, due to financial distress, the said SG Fees could not be remitted to DOT. The non-remittance of SG Fees to DoT may attract penalties to the extent of outstanding SG Fees payable to DOT. Accordingly, MTNL has requested DoT vide its letter dated 20.09.2024 that the pending liability of Rs 282.76 Crore on account of SG Fees, forthcoming SG fee liability in upcoming years, and corresponding penal guarantee fee arise, if any, and GST liability thereon shall be settled through equity infusion by the GoI.

Comments of CAG	Reply of MTNL Management
	Since the matter is being taken up with DoT for further review and consideration and till final resolution, the amount of penal S G fees is disclosed as contingent liability in the financial statements.
ii) The above does not include an amount of ₹1155 crore (excluding GST) on spectrum due for additional 1.4 MHz of spectrum in Mumbai and Delhi demanded by DoT. This has resulted into understatement of Current liabilities as well as loss by ₹1155 crore (excluding GST) and overstatement of contingent liabilities by the same amount.	As per Technical and planning division of MTNL, the additional 1.4 MHz spectrum for which the DOT issued demands for Rs 1155 crores is not being used by MTNL. Accordingly, the matter has been referred to BSNL for further taking up the issue with DOT. In view of above, till finalization of the issue by DOT, the demand letter to MTNL for additional 1.4 MHz spectrum is disclosed as contingent liability in the financials of March-25.
B. Comments on Disclosure Cash and Cash equivalents amounting to ₹163.57 Crore include an amount of ₹2.64 Crore kept in the Union Bank of India. As the Union Bank of India had declared the loan taken by MTNL as Non-Performing Assets, the amount available in these accounts cannot be used by the MTNL. This fact has not been disclosed in the books of accounts.	The amount has been released by the bank and transferred to corporate bank accounts in July-25. As such the matter was already under consideration with the bank for release of amount as on 31-03-2025, hence there is no requirement of any specific disclosure in the financials of FY 2024-25.

Sd/-
(Anirudh Prasad Singh)
CFO & GM (Finance)
MTNL CO

Form AOC-I

(Pursuant to the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Part "A": Subsidiaries

1. Sl. No.: 01
2. Name of the Subsidiary: **Millennium Telecom Limited**
3. The date since when subsidiary acquired:17.02.2000
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **Same as Holding Company**
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.: **Not Applicable**
6. Share capital: Rs.2.88 crore
7. Reserves & surplus: Rs. 3.39 crore
8. Total assets: Rs. 8.93 crore
9. Total Liabilities: Rs. 2.66 crore
10. Investments: NIL
11. Turnover: Rs. 1.66 crore
12. Profit before taxation: Rs. 0.49 crore
13. Provision for taxation: Rs. 0.13 crore
14. Profit after taxation: Rs. 0.36 crore
15. Proposed Dividend: Rs. 0.25 crore
16. % of shareholding: 100%

Form AOC-I

(Pursuant to the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

1. Sl. No.: 02
2. Name of the Subsidiary: **Mahanagar Telephone (Mauritius) Limited**
3. The date since when subsidiary was acquired: 14.11.2000
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **Same as Holding Company**
5. Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries: Reporting currency- Mauritian Rupees (MUR)

   Exchange rate: 1 INR = 0.577 MUR
6. Share capital: Rs. 117.19 Crore
7. Reserves & surplus: Rs. (-) 4.28 Crore
8. Total assets: Rs. 135.60 Crore
9. Total Liabilities: Rs. 22.69 Crore
10. Investments*: Rs. NIL
11. Turnover: Rs. 71.70 Crore
12. Profit before taxation: Rs. (-) 5.25 Crore
13. Provision for taxation Rs. (-) 0.75 Crore
14. Profit after taxation Rs. (-) 4.51 Crore
17. Proposed Dividend: NIL
15. % of shareholding: 100%

*Investments exclude investment in subsidiaries.

1. Names of subsidiaries which are yet to commence operations: Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part "B": Associates and Joint Ventures

Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate/ Joint Ventures	United Telecommunication Limited	MTNL STPI IT Services Limited
1. Latest Audited Balance Sheet Date	31.03.2025*	31.03.2025
2. Date on which the Associate or Joint Venture was associated or acquired	21.07.2001	31.03.2006
3. Shares of Associate/ Joint Ventures held by the Company on the year-end		
No.	5736200	2282000
Amount of investment in Associates/ Joint Venture	Rs. 35.85 crore	Rs. 2.28 Crore
Extend of Holding %	26.68%	50%
4. Description of how there is significant influence	Holding more than 20% shares	Holding more than 20% shares
5. Reason why the Associate/ Joint Venture is not consolidated	Not Applicable	Not Applicable
6. Net worth attributable to Shareholding as per the latest Audited Balance Sheet	NIL	Rs. 7.24 Crore
7. Profit/ (Loss) for the year	Loss	Profit
i. Considered in Consolidation	-	Rs. 1.82 Crore
ii. Not Considered in Consolidation	-	Rs. 1.82 Crore

*United Telecommunication Ltd is incorporated in Nepal. The last Audited Balance sheet date was 15.07.2021 therefore we have taken the Unaudited Provisional Balance Sheet date as on 31.03.2024

1. Names of Associates or Joint Ventures which are yet to commence operations: Not Applicable.
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year: Not Applicable.

For and on behalf of Mahanagar Telephone Nigam Limited

Sd/-
(A. Robert J. Ravi)
Chairman & Managing Director

Sd/-
(Rajiv Kumar)
Director (Finance)

Sd/-
(Anirudh Prasad Singh)
Chief Financial Officer

Sd/-
(Ratan Mani Sumit)
Company Secretary

Place: New Delhi
Date: 08.07.2025

Jaikumar Tejwani & CO LLP

Chartered Accountants

LLPIN: AAN-1856
HO: A-72, First Floor, Captain Gaur Marg,
East of Kailash, New Delhi-110065, India
Mobile No. +91-9667068557, 9667856332
E-mail: info@jktco.com

INDEPENDENT AUDITORS' REPORT

To,
The Members of Millennium Telecom Limited
4th Floor, Mahanagar Doorsanchar Sadan
9 CGO Complex, Lodhi Road New Delhi,
Delhi-110003

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of M/s. Millennium Telecom Limited ('the Company'), which comprise the Balance Sheet as on 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter collectively referred to as "the aforesaid financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the **'Basis for Qualified Opinion'** section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 {"the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2025**, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matter described in **"Annexure-A"** to this report, the effects of misstatements and possible effects of undetected misstatements on the financial statement due to inability to obtain sufficient and appropriate audit evidence which are material but, not pervasive individually or in aggregate.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance

with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a **'Basis for Qualified Opinion**' on the aforesaid financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a Whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Emphasis of Matters

a. We draw attention to Note 20 of the financial statements, which describes the decision of the Board of Directors of the Company to constitute a Committee for reviewing and recommending action on various legacy balances reflected in the books of accounts. Based on the recommendations of the said Committee, which held its meetings during March and April 2025, the Company has approved and effected write-offs/adjustments of several old outstanding balances, including trade receivables, trade payables, tax balances, and other advances, in the financial statements for the year ended 31st March 2025.

b. We draw attention to Note 27 and Note 38 of the financial statements, which describe the pending legal proceedings before the District Labour Court, Ghaziabad under the Payment of Wages Act, 1936. The claim filed against the Company amounts to Rs. 59.13 lakhs, comprising alleged salary deductions and compensation. As stated in the notes, the matter is sub judice and no final order has been passed as at the reporting date. Based on legal advice and the current stage of the proceedings, the management has classified the matter as a contingent liability and has not recognised any provision in the financial statements, in accordance with the principles of Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

Our opinion is not modified in respect of these matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; section and application of appropriate accounting policies; making judgements and estimates that are responsible and prudent; and design, Implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company Financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about-whether the standalone financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken based on these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, Forgery, Intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be expected to outweigh the public interest benefits of such communication.

Report on other legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we provide the "**Annexure-B**" statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(5) of the Act, we report in **"Annexure-C"** a statement on the matters specified by the Comptroller and Auditor General of India (C&AG) w.r.t the Company.

3. As required by section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of accompanying standalone financial statements;

b) Except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph, the proper books of account as required by law have been kept so far as it appears from our examination of those books;

c) The Company is having a Registered Office or Corporate Office in the state of Delhi only. Further, the company does not have any branch office in any state, however, the three units in different states namely Haryana, Uttar Pradesh, Maharashtra are existing for the purpose of Goods & Services Tax (GST) laws;

d) Except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying standalone financial statements dealt with by this report are in agreement with the relevant books of accounts;

e) Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements are complied with requirements of the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015;

f) The matters described in the Basis for Qualified Opinion para above, may have an adverse effect on the functioning of the Company;

g) Since, the Company is a Government Company, section 164(2) of the Companies Act, 2013 regarding obtaining written representations from the directors of the Company, is not applicable to the respective companies in terms of notification no. GSR-463(E), issued by Ministry of Corporate Affairs;

h) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;

i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in **"Annexure-D"**.

j) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us;

i. The Company has not disclosed the impact of pending Tax litigations on its financial positions as on 31st March, 2025;

ii. The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses as on 31st March, 2025;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended on 31st March, 2025;

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The company has declared/ paid dividend of Rs. 14,37,940/- during the financial year as per Companies Act, 2013.

vi. As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014

Based on our examination, which included test checks, excepts for stances mentioned below, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (Edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with during the year ended March 31, 2025.

For **JAIKUMAR TEJWANI & CO LLP**
(Chartered Accountants)
FRN No. 013415N/N500101

CA Kamal Tejwani
(Partner)
M. No. 099518
UDIN: 25099518BMIASX1249
Place: Delhi
Date: 21/05/2025

ANNEXURE-A TO THE INDEPENDENT AUDITRS' REPORT

Referred to the Basis for Qualifies Opinion" section of our audit to the members of the Company

1. *Referring to the para 1.2 and note no. 2 "Property, Plant & Equipment (PPE)"*

   a. The company has not complied with the requirements of Ind AS-16: 'Property, Plant and Equipment (PPE) w.r.t the decapitalisation of the items of Property, Plant and Equipment (PPE) when such items are fully depreciated and have no economic benefits in the future. Thus, the resultant impact of the same on the aforesaid financial statements of the Company would be overstatement of such items and understatement of loss to that extent.

   b. The non-compliance of items of PPE in accordance with the Ind AS- 16 have also consequential effect on the treatment of Deferred Tax Assets/ Liabilities (Net) as covered under the Ind AS- 12: 'Income Taxes', However, the consequential impact of adjustment, if any, owing to this non-compliance on the aforesaid financial statements is presently not ascertainable.

2. *Referring to the note no.4 "Non-Current Tax Assets"*

   a. The company claims that the balances of Income Tax Paid for Assessment Year (AY) ; 2003-04, 2004-05 and 2005-06 are subject matter of the 'Vivad se Vishwas' (VSV) Scheme In accordance with Direct Tax Vivad se Vishwas Act, 2020. However, due to insufficient audit evidence, we are unable to provide assurance regarding the . provision and tax deposited for the mentioned years.

   b. The above head includes Income Tax Assets amounting to Rs. 1,40,68,928 pertaining to Assessment Years 2003-04 to 2005-06. This amount includes an income tax refund of Rs. 4,36,720 relating to Assessment Year 2024-25, which was adjusted by the Income Tax Officer against the demand for Assessment Year 2003-04. However, the company has created a provision of only Rs. 95,95,706 against these tax assets, resulting in an under-provisioning of Rs. 44,73,222. Consequently, there is an overstatement of profit and non-current assets by the same amount.

   c. Further, a provision of Rs. 1,33,380 has been recorded for Assessment Year 2007-08. However, there are no corresponding non-current tax assets pertaining to this assessment year, Consequently, this has resulted in an overstatement of provisions and a corresponding understatement of profit and non-current assets by 1,33,380/-.

3. *Referring to the note no. 5 "Trade Receivables"*

   a. The Company holds trade receivables of Rs. 1,00,001/- and 28,39,002/- from CIDCO Ltd & UP Building and Other Construction Worker Welfare Board respectively. However, confirmation and reconciliation of these amounts are pending. Due to the lack of relevant audit evidence, we were unable to verify the accuracy of these adjustments. Consequently, the potential impact on the standalone financial statements cannot be determined at present. This disclosure underscores significant

uncertainty surrounding the receivable balances and their implications for the company's financial position.

b. The management of Company has mentioned in notes to the financial statement that the carrying amounts of trade receivables, other financial assets, fixed deposits with banks, trade payables and other current financial liabilities are approximately equal to the fair value. However, Due to the lack of relevant audit evidence, we were unable to validate the accuracy of these adjustments.

4. *Referring to the note no. 6 "Cash and Cash Equivalent"*

a. Based on our audit procedures, the company's bank account with the ICICI with a balance of Rs. 1,00,825/ is classified as dormant. However, we have not received confirmation of the balance from the bank. Therefore, we are unable to provide assurance regarding the accuracy of the stated balance in the financial statements.

5. *Referring to the note no. 7 "Other Current Financial Assets"*

a. The Company has an amount of receivable from Deposit with CIDCO of Rs. 6,63,275/. The amount receivable from mentioned party is: subject to confirmation and reconciliation. Owing to this we are not in a position to verify and comment on its accuracy or the potential impact on the financial statements.

6. *Referring to the note no. 8 "Current Tax Assets"*

a. The balance of Rs. 26,803 under Income Tax Receivable for Assessment Year 2025-26 represents the net amount arising from a provision of Rs. 12,66,377 made during the year and tax deposits totalling Rs. 12,93,180/-.

b. In the absence of sufficient documentation supporting the GST treatment of these write-backs, we are unable to determine whether any GST liability exists, and if so, the quantum thereof. Consequently, we are unable to ascertain the impact, if any, on the Company's tax liabilities, profit, and other current liabilities as at 31st March 2025.

7. *Referring to the note no. 9 "Other Current Assets"*

a. The Balances of CGST, SGST, IGST Cash and Credit Ledgers of Delhi and Mumbai units, as appearing under different heads on 31st March, 2025 are subject to reconciliation by the management. In view of non-reconciliation, we are not in a position to ascertain and comment on the correctness of such balances and resultant impact of the same on the standalone Ind AS financial statements of the Company.

8. *Referring to the note no. 13 "Trade Payables"*

a. The amount payable of Rs. 1,00,000/- to Pentagon Network Solution Ltd, remain unchanged throughout the year and are subject to confirmation and reconciliation. However, due to the unavailability of relevant audit evidence, we were unable to authenticate the accuracy of the claim. Consequently, the potential impact of this uncertainty on the standalone financial statements cannot be determined at this time.

9. *Referring to the note no, 14 "Other Financial Liabilities"*

   a. The account balance of Trade/Security Deposits of Rs. 2,32,26,239/- which is subject to confirmation and reconciliation. In view of non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness - of the such balances and resultant impact of the same on the aforesaid financial statements of the Company.

10. *Referring to the note no. 15 "Current Provision"*

   a. The provision for UP GIS project amounting to Rs. 32,15,425/- remains constant compare to preceding financial year, without any cogent reasons/justification. In absence of audit evidence, we are unable to comment the accuracy of this amount.

11. *Referring to the note no, 20 "Exceptional item"*

   a. As stated in Note 20 to the financial statements, the Company has written back several old outstanding balances during the year ended 31st March 2025, pursuant to the recommendations of an internal committee constituted to review legacy balances. While these write-backs have been accounted for in the financial statements, we observed that the Company has not evaluated or recognised any potential liability on account of Goods and Services Tax (GST) that may arise on such write-backs.

   In the absence of sufficient documentation supporting the GST treatment of these write-backs, we are unable to determine whether any GST liability exists, and if so, the quantum thereof. Consequently, we are unable to ascertain the impact, if any, on the Company's tax liabilities, profit, and other current liabilities as at 31st March 2025.

12. *Miscellaneous*

   a. The Company provided a document outlining the recommendations made by an internal committee formed to clean up the financial statements. However, the committee's report lacks supporting documentation to substantiate the proposed adjustments. As a result, we are unable to verify the accuracy of the recommendations. Consequently, the potential impact of this matter on the standalone financial statements cannot be determined.

   b. The company is utilizing resources from the holding company (MTTNL), including deputation of employees, Information Technology (I.T.) systems, and other resources. However, there is no recording of relevant expenses in the Statement of Profit and Loss Account for this usage. Due to the lack of specific details, the potential impact of adjustments on the financial statements cannot be determined at this time.

   c. The Company has not complied with the disclosures and other requirements of Division-II: Ind AS based Schedule-III (Revised) to the Companies Act, 2013 read with the Section 129, in respect of classification of assets/ liabilities into current and non-current; categorization of assets/ liabilities into appropriate captions, Functional and presentation currency, Additional Regulatory Information etc.

d. As per Ind AS 115, revenue recognition is based on the satisfaction of performance obligations and the specific terms of contract agreements. The objective of this Standard is to establish principles that enable entities to provide users of financial statements with relevant information regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

It was observed that the Company has not disclosed contract assets in its financial statements, as required under Ind 'AS 115. Consequently, the Company's accounting policy and related disclosures are deficient to the extent of this non-compliance.

The above basis for qualified opinion referred to in Para no. 1 to 12 were subject matter of qualification in the Auditor's Report for the year ended on March 31,2025.

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. 1 to 11 on the aforesaid financial statements of the Company-for the year ended on March 31, 2025.

For **JAIKUMAR TEJWANI & CO LLP**
(Chartered Accountants)

CA Kamal Tejwani
(Partner)
M. No. 099518
UDIN: 25099518BMIASX1249
Place: Delhi
Date: 21/05/2025

ANNEXURE – 'B' TO THE INDEPENDENT AUDITORS' REPORT

On the basis of the information and explanation given to us during the course of our audit, we report that:

i. (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The Company is not having any Intangible Asset hence comment on the maintenance of proper records showing full particulars of intangible assets is not applicable in this case.

(c) As confirmed by management, physical verification of Property, Plant and Equipment was conducted by the management as on 25.03.2025 during the year ended on March 31, 2025 and the management has observed that the Assets are life expired, not usable and having no value.

(d) The Company is not holding any immovable property hence comment on the title deeds of immovable properties held in the name of the company is not applicable in this case.

(e) The company does not have any proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence comment on the same is not applicable in this case.

ii. (a) The Company was not having any inventory during the current financial year and at the end of the year and hence comment on physical verification of inventory by the management is not applicable for the year under audit.

(b) The company has not sanctioned working capital limits during any point of time of the year in excess of five crore rupees, in aggregate, from banks or financial institutions on the on the basis of security of currents assets and hence comment on quarterly returns or statements filed by the company with such banks or financial institutions are not applicable.

iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year under audit. Hence, the para 3 (iii) of the Order is not applicable in this case.

iv. The Company has not granted loans or made investments, guarantees, and security as covered under the provisions of Sec.185 and 186 of the Companies Act, 2013 and rules made thereunder. Hence, the para 3 (iv) of the Order is not applicable in this case.

v. The Company has not accepted any deposits from the public and amounts which are deemed to be deposits, hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder are not applicable. Hence, the para 3 (v) of the Order is not applicable in this case.

vi. The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried out by the Company. Hence, the para 3 (vi) of the Order is not applicable in this case.

vii. (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods & Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. Further, no undisputed amounts payable in respect of material statutory dues were in arrears as on 31st March 2025 for a period of more than six months from the date on when they become payable.

(b) There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute other than the following

Assessment Year	Amount Deposited as per Books (Rs.)	Provision as per Books (Rs.)	Amount Deposited (Rs.)	Amount payable under VSV Scheme (Rs.)
AY 2003-04	63,75,775	40,63,127/-	72,89,541/-	40,63,127/-
AY 2004-05	34,37,127	27,21,485/-	51,04,043/-	27,21,485/-
AY 2005-06	38,19306	28,11,094/-	38,19,306/-	28,11,094/-
AY 2007-08	-	1,33,380	-	-

(c) The company has opted to settle the dispute the pending appeals before Hon'ble ITAT for AY 2003-04 to AY 2005-06 and filed the application under 'Vivad se Vishwas' (VSV} Scheme in accordance with Direct Tax Vivad se Vishwas Act, 2020 and rules made thereunder.

(d) The Amount Deposited for AY 2003-04 to AY 2005-06 is as per Confirmation letter of CIT. However, the same is not reconciled with Books of account and hence we are unable to verify its consequential impact on the standalone financial statements at this time.

viii. The Company does not have any transactions, which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the para 3 (viii) of the order is not applicable in this case.

ix. The Company does not have any loans or borrowings from any banks, financial institutions and Government during the year under audit. Accordingly, the para 3 (ix) of the order is not applicable in this case.

x. The Company has not raised money by way of initial public offer or further public offer including debt instruments during the year under audit. Further, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the para 3 (x) of the Order is not applicable to the Company and hence not commented upon.

xi. (a) No fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year under audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle-blower complaints have been received by the company during the year under audit.

xii. The Company is not a Nidhi Company as per Section 406 of the Companies Act, 2013 and rules made thereunder. Hence, the para 3(xii) of the Order is not applicable to this case.

xiii. The company has not entered any transaction with the related parties during the year under audit (other than the payment of dividend), as specified under sections 177 and 188 of the Companies Act, 2013 and rules made there under. However, the disclosures requirements as required by the applicable accounting standards (Ind AS-24) in the financial statements are not properly complied by the company.

xiv. The Company is not required to appoint the Internal Auditors as per Sec. 138 of Indian Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014. Hence, the para 3(xiv} of the Order is not applicable in this case.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, the para 3 (xv) of the Order is not applicable in this case.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Further, it has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

xvii. The company has not incurred cash losses in the financial year and immediately preceding financial year.

xviii. There has not been any resignation of the statutory auditors during the year under audit. Hence, the para 3 (xviii) of the Order is not applicable in this case.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. The requirements of the Sec.135 of the Companies Act, 2013 and rules made thereunder is not applicable to the Companies Act, 2013 and rules made thereunder. Hence, the para 3 (xx) of the Order is not applicable in this case.

xxi. This clause is applicable only for the purpose of reporting in case of consolidated financial statements. Hence, the para 3 (xxi) of the Order is not applicable in this case.

For **JAIKUMAR TEJWANI & CO LLP**
(Chartered Accountants)
FRN No. 013415N/N500101

CA Kamal Tejwani
(Partner)
M. No. 099518
UDIN: 25099518BMIASX1249

Place: Delhi
Date: 21/05/2025

ANNEXURE – 'C' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our Independent Auditors' Report of even date to the members of Millenium Telecom Limited on the Standalone Financial Statements for the year ended 31st March 2024.

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **M/s Millenium Telecom Limited ("the Company")** for the financial year 2024-25 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

Based on the information and explanations given to us we report as under:

1. **Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated.**

   According to the information and explanation given to us, we would like to highlight that the company has implemented the "Web-based Financial Management System" (WFMS) to handle all accounting transactions through an IT system. It's important to note that the WFMS has been fully operational since the financial year 2023-24. However, the financial statements for the same financial year are currently being manually prepared and finalized by the management using MS-Excel software.

   As the financial data is being processed manually in MS-Excel, there is a risk of potential manual interventions, unauthorized alterations or unintentional/intentional errors. These factors may pose a threat to the accuracy and integrity of the financial reporting of the company. It's crucial to acknowledge that the full extent of these risks and their financial implications cannot be determined at present.

   Further, we observed that several financial transactions continue to be recorded manually despite the availability of WFMS. The system currently lacks legacy data such as bank guarantees (and their encashments), advances from related parties and their settlements, interest on FDRs, TDS assets, etc. As a result, in the absence of a comprehensive IT system covering all financial transactions, the audit trail remains deficient to this extent.

2. **Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, Lender is a Government Company, then the direction is also applicable for statutory auditor of Lender Company).**

   According to the information and explanations provided to us, we report that there is no restructuring of an existing loan or cases of waiver / write off of debts / loan / interest etc. made by a lender to the Company during the year under audit.

However, we report that there have been instances of write-offs of certain debts and advances received by the Company during the year, which have been duly accounted for in the books of accounts.

We would further like to draw attention to Note No. 20 of the financial statements, wherein the Company has written off certain assets and written back certain liabilities. In this regard, we have included an Emphasis of Matter paragraph in our audit report to highlight the same.

3. **Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilised as per its term and** conditions? List the cases of deviation.

Based on the information and explanations provided, we confirm that no funds (grants/ subsidies, etc.) were received or receivable for specific schemes from the Central/State Government or its agencies during the audited year.

However, it's important to note that funds invested by the Holding company, MTNL, as capital were not utilized for the intended purposes of the company.

We have conducted the audit of accounts of **the company** for the year ended 2024-25 in accordance with the directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with the all directions issued to us.

For JAIKUMAR TEJWANI & CO LLP
(Chartered Accountants)
FRN No. 013415N/N500101

CA Kamal Tejwani
(Partner)
M. No. 099518
UDIN: 25099518BMIASX1249

Place: Delhi
Date: 21/05/2025

ANNEXURE - 'D' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the standalone Ind-AS financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone Ind-AS financial statements of M/s. Millennium Telecom Limited ("The Company") as of 31st March 2024 in conjunction with our audit of the standalone Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be Prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the institute of Chartered Accountants of India. Those standards and the guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The Procedures selected depend on the auditor's judgement, including the assessment of the risks. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial reporting includes those policies and procedure that:

1. Pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or
4. disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the Inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or frauds may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subjects to the risk that the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as of 31st March 2025:

1. The company lacks a sufficient internal control system to ensure compliance with the formatting and disclosure requirements outlined in Division-II: Ind-AS based Schedule-III (Revised) of the Companies Act, 2013, as well as the applicable Ind-AS notified under section 133 of the Companies Act, 2013. This deficiency could potentially lead to violations of Section 129 concerning the presentation of a true and fair view of the company's financial statements.
2. The Company does not have an appropriate internal control system for ensuring de-capitalization of Property, Plant and Equipment in respect of assets which are no longer

in use and held for disposal as scrap. This could potentially result in overstatement of gross block and corresponding impact on the operational results due to higher charge of depreciation and lower provision for impairment of assets.

3. The Company does not have an appropriate internal control system for obtaining confirmations and performing reconciliation of balances in respect of amount receivables from trade receivables, third parties and others, and other parties and amount payables to trade payables, and amount payable to other parties.

4. The Company does not have an appropriate internal control system to ensure that provisions made pending receipt of bills from vendors / third parties/other parties/others at the quarter-end and year-end and the same are duly reversed when actual bills are received and accounted for. This could potentially result in the same being booked twice in the books of accounts

5. The internal control system of the company appears inadequate in ensuring the timely and accurate recording of transactions. There is evidence of entries being posted with backdated timestamps, raising concerns about the integrity and reliability of the financial reporting process. This deficiency could potentially lead to misstatements in the company's financial statements, undermining investor confidence and regulatory compliance.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the company.

For JAIKUMAR TEJWANI & CO LLP
(Chartered Accountants)
FRN No. 013415N/N500101

CA Kamal Tejwani
(Partner)
M. No. 099518
UDIN: 25099518BMIASX1249
Place: Delhi
Date: 21/05/2025

MILLENNIUM TELECOM LIMITED
Balance Sheet as at 31 March 2025

Particulars	Note No.	As at 31-Mar-2025 (Thousand of Rs.)	As at 31-Mar-2024 (Thousand of Rs.)
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipments	2	43.85	43.85
(b) Deffered Tax (Assets) Net	3	2.50	9.40
(c) Other non current Assets	4	4,339.84	3,094.70
Total non-current assets		**4,386.19**	**3,147.95**
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	5	2,939.00	13,341.51
(ii) Cash and cash equivalents	6	190.85	1,193.01
(iii) Other financial assets	7	63,663.28	60,266.71
(b) Current Tax Assets	8	26.80	1,146.28
(c) Other current assets	9	18,082.38	19,128.64
Total current assets		**84,902.31**	**95,076.15**
TOTAL ASSETS		**89,288.50**	**98,224.11**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	10	28,758.80	28,758.80
(b) Other Equity	11	33,903.48	31,734.42
Total Equity		**62,662.28**	**60,493.22**
LIABILITIES			
(2) Non current liabilities			
(a) Financial liabilities			
(b) Other non-current liabilities	12	-	2,177.00
		-	**2,177.00**
(3) Current liabilities			
(a) Financial Liabilities			
(i) Trade payable			
Total outstanding dues of micro enterprises and small enterprise		**-**	**-**
Total outstanding dues of creditors other than micro enterprises and small enterprises	13	100.00	476.29
(ii) Other Financial Liabilities	14	23,226.24	31,132.08
(b) Current Provision	15	3,282.93	3,396.91
(c) Other Current Liabilities	16	17.05	548.61
		26,626.22	**35,553.89**
TOTAL EQUITY AND LIABILITIES		**89,288.50**	**98,224.11**

Material Accounting poilicies Information 1-42

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For M/s Jaikumar Tejwani & Co LLP
Chartered Accountants
Firm's Registration No.: 013415N/ N500101

Sd/-
CA Kamal Tejwani
Partner
Membership No. 099518
UDIN: 25099518BMIASX1249

Place: Delhi
Date: 21-MAY-2025

For and on behalf of the Board of Directors

Sd/-
Sandeep Govil
Chairman & Director
DIN 10040742

Place: Delhi
Date: 21-MAY-2025

Sd/-
Anirudh Prasad Singh
Director (Finance)
DIN 08643565

Sd/-
Ratan Mani Sumit
CS ACS15193

MILLENNIUM TELECOM LIMITED

Part II – Statement of Profit And Loss for the Year Ended 31st March 2025

Amount in Rupees

	Particulars	Note No.	For the year ended 31.03.2025 (Thousand of Rs.)	For the year ended 31.03.2024 (Thousand of Rs.)
	Income			
I	Revenue from operations		-	-
II	Other income	17	4,636.57	3,843.92
III	Total Income (I+II)		**4,636.57**	**3,843.92**
IV	**Expenses**			
	Finance costs	18	0.38	0.42
	Depreciation and amortisation expense		-	-
	Other expenses	19	324.28	503.05
	Total expenses		**324.66**	**503.47**
V	**Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)**		**4,311.91**	**3,340.44**
VI	**Exceptional items**	20	568.37	-
VII	**Profit / (Loss) before tax (V-VI)**		**4,880.28**	**3,340.44**
VIII	**Tax expense:**			
	(a) Current tax	21	1,266.38	876.01
	(b) Tax of earlier years		**-**	**-**
	(b) Deferred Tax	22	6.90	2.83
	Total Tax expense		**1,273.28**	**878.84**
IX	**Profit / (Loss) for the period from continuing operation (VII-VIII)**		**3,607.00**	**2,461.60**
X	**Profit / (Loss) for the period (XI-XIII)**		**3,607.00**	**2,461.60**
XI	**Other Comprehensive Income**		-	-
	A (i) Items that will not be reclassified to profit or loss			
	(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			
XII	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income 'for the period)		**3,607.00**	**2,461.60**
XIII	**Earnings per share (For continuing operation)**			
	(a) Basic		1.25	0.86
	(b) Diluted		1.25	0.86
XIV	**Earnings per share (For continuing & discontinued operation)**			
	(a) Basic		1.25	0.86
	(b) Diluted		1.25	0.86
	Material Accounting poilicies Information	1-42		

The accompanying notes are integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For M/s Jaikumar Tejwani & Co LLP
Chartered Accountants
Firm's Registration No.: 013415N/ N500101

Sd/-
CA Kamal Tejwani
Partner
Membership No. 099518
UDIN: 25099518BMIASX1249

Place: Delhi
Date: 21-MAY-2025

For and on behalf of the Board of Directors

Sd/-
Sandeep Govil
Chairman & Director
DIN 10040742

Place: Delhi
Date: 21-MAY-2025

Sd/-
Anirudh Prasad Singh
Director (Finance)
DIN 08643565

Sd/-
Ratan Mani Sumit
CS ACS15193

MILLENNIUM TELECOM LIMITED

Audited Standalone Cash Flow Statement for the year ended 31st March, 2025

	Particulars	31st March 2025 (Thousand of Rs.)	31st March 2024 (Thousand of Rs.)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax		
	Continuing operations	4880.28	3340.44
	Discontinued operations		
		4880.28	**3340.44**
	Adjustments for:		
	Interest income	(4636.57)	(3843.92)
	Finance costs	0.38	0.42
	Exceptional Items (Note no. 20 P/L)	(568.37)	0.00
	Bad debts written off	0	188.76
	Operating profit before working capital changes	**(324.28)**	**(314.29)**
	Movement in working capital		
	(Increase)/ Decrease in other Current financial assets	840.22	174.21
	(Increase)/ Decrease in other Current Tax assets	395.15	(421.95)
	(Increase)/ Decrease in other Current assets	821.86	(3465.76)
	(Increase)/ Decrease in other assets		0.00
	(Increase)/ Decrease in other non current assets	(436.72)	29.99
	(Increase)/ Decrease in trade and other receivables	0.00	(188.76)
	Increase/ (Decrease) in other Current liabilities	8.49	1.99
	Increase/ (Decrease) in other financial liabilities	(0.00)	1500.00
	Increase/ (Decrease) in other non current liabilities	0.00	0.00
	Increase/ (Decrease) in trade and other payables	0.00	(95.27)
	Increase/ (Decrease) in provisions	(1.99)	(20.14)
	Cash flow from operating activities post working capital changes	**1302.75**	**(2799.98)**
	Income tax (paid)/refunds (net)	(1266.38)	(876.01)
	Net cash flow from operating activities (A)	**36.37**	**(3675.99)**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Movement in fixed deposits (net)	(4236.79)	2307.37
	Interest received	4636.57	**3843.92**
	Net cash flows used in investing activities (B)	**399.78**	**6151.29**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Payment of Dividend on Equity Shares	(1437.94)	(1437.94)
	Finance cost paid	(0.38)	(0.42)
	Payment towards Lease Liability		
	Net cash used in financing activities (C)	**(1438.32)**	**(1438.36)**
	Increase in cash and cash equivalents (A+B+C)	(1002.17)	1036.93
	Cash and cash equivalents at the begining of the year	1193.01	156.08
	Cash and cash equivalents at the end of the period	**190.85**	**1193.01**

For M/s Jaikumar Tejwani & Co LLP
Chartered Accountants
Firm's Registration No.: 013415N/ N500101

Sd/-
CA Kamal Tejwani
Partner
Membership No. 099518
UDIN: 25099518BMIASX1249

Place: Delhi
Date: 21-MAY-2025

For and on behalf of the Board of Directors

Sd/-
Sandeep Govil
Chairman & Director
DIN 10040742

Place: Delhi
Date: 21-MAY-2025

Sd/-
Anirudh Prasad Singh
Director (Finance)
DIN 08643565

Sd/-
Ratan Mani Sumit
CS ACS15193

MILLENNIUM TELECOM LIMITED
Material accounting policies and other explanatory information for the year ended March 31, 2025

Notes	Particulars

1 Corporate information

MILLENNIUM TELECOM LIMITED (MTL), a wholly owned subsidiary of MAHANAGAR TELEPHONE NIGAM LIMITED (MTNL), is set up to set up submarine cable project & to provide IT solutions. After cancellation of the Sub-marine Cable Project Tender, the Board of MTL decided to enter into new line of business and started exploring the new different business prospects. The following are the services which are intened to be provided by MTL.

The various services being offered are Remote monitoring of customer network, Capacity building and skill development programme, End-to-end ICT Solution provider along with operation & maintenance. Launch, operate, provide and maintained Cloud and managed services. Surveillance and perimeter security including emergency communication. Campus wide Wi-Fi , Surveillance projects, Infrastructure Sharing, Data Centre Outsourcing Application including Web Hosting, Cloud computing etc.

1.1 Significant accounting policies

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) specified under section 133 of Companies Act, 2013 read with Rule-7 of Companies (Accounts) Rules, 2014 & as amended time to time and the relevant provisions of the Companies Act 2013.

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

1.2 Property Plant and Equipment

All items of property, plant and equipment are stated at cost of acquisition historical cost less accumulated depreciation and impairment loss, if any. Cost includes of cost of acquisition, construction and installation, taxes, duties, freight and other incidental expenses that are directly attributable to bringing the asset to its working conditions for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives of the assets as specified under Schedule II of the Companies Act, 2013 and in manner as specified in that Schedule II.

1.3 Impairment of non financial assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount to the carrying amount of the asset that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior accounting periods.

1.4 Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVPL), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through statement of profit and loss are expensed in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated

with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

1.5 Inventories

Inventories are valued lower of cost or net realisable value.

1.6 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

1.7 Employee benefits

No provision for retirement benefits has been made since there are no employees.

1.8 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

1.9 Income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal

in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognized in equity are recognized in equity and not in the Statement of Profit and Loss.

1.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.11 Use of estimates

The preparation of the financial statements in conformity with Indian Accounting Standard requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Millennium Telecom Limited
Balance Sheet as at 31st March 2025

2. Property Plant and Equipment

(Thousand of Rs.)

Particulars	Furniture and fixtures	Office equipment	Electrical fittings	Computers	Vehicles	Asset Scrapped/ Decommissioned	Total
Carrying amount as on 01-Apr-2024	23.71	17.03	3.11	0.00	0.00	-	43.85
Addition							
Accumulated depreciation							
Opening accumulated depreciation	-	-	-	-	-	-	-
Depreciation charge duting the year							
Assets included in a disposal group classified as held for sale							
Assets Decommissioned/ Disposals	(23.71)	(17.03)	(3.11)	(0.00)	(0.00)	43.85	(0.00)
Exchange differences	-	-	-	-	-	-	-
Closing accumulated depreciation	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	**43.85**	**43.85**

Millennium Telecom Limited
Material accounting policies and other explanatory information for the period ended 31st March 2025

(Thousand of Rs.)

Note No	Particulars	As at 31-Mar-2025	As at 31-Mar-2024
3	**Deferred tax assets**		
	Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	2.50	9.40
		2.50	**9.40**
4	**Non current tax assets**		
	Advance tax (net of provisions)	4,339.84	3,094.70
		4,339.84	**3,094.70**
5	**Trade receivables (Unsecured)**		
	Considered good	2,939.00	13,341.51
	Considered doubtful	-	273.97
		2,939.00	13,615.48
	Less: Provision for doubtful debts	-	(273.97)
		2,939.00	**13,341.51**
6	**Cash and Cash equivalents**		
	Cash in hand		
	- current accounts	190.85	1,193.01
	- in deposit account with original maturity upto 3 months	-	-
		190.85	**1,193.01**
7	**Other current financial asset**		
	Deposit with Thane Municipal Corporation	-	840.22
	Deposit with CIDCO	663.28	663.28
	Balance with Banks -in deposit account with original maturity less than 12months	63,000.00	58,763.21
		63,663.28	**60,266.71**
8	**Other current tax assets**		
	Income tax refund receivable	26.80	1,146.28
		26.80	**1,146.28**
9	**Other current assets**		
	Interest Accrued on Dep. (Accrued Income)	**2,560.60**	**3,422.24**
	GST Credit ledger-Delhi	168.99	183.24
	Balance with statutory authorities	15,352.79	15,523.17
		18,082.38	**19,128.64**

Millennium Telecom Limited

Material accounting policies and other explanatory information for the period ended 31 March 2025

10. Equity Share Capital

(Thousand of Rs.)

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Equity share capital		
Authorised:		
10,00,00,000 (Previous Year:10,00,00,000) Equity Shares of Rs. 10 each	10,00,000	10,00,000
Issued:		
28,75,880 (Previous Year:28,75,880) Equity Shares of Rs. 10 each	28,758.80	28,758.80
Subscribed and Paid-Up:		
28,75,880 (Previous Year:28,75,880) Equity Shares of Rs. 10 each	28,758.80	28,758.80
	28,758.80	**28,758.80**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue / Bonus / ESOP	Conversion / Buy Back	Closing Balance
Equity shares with voting rights Issued, Subscribed and fully paid up Year ended 31 March, 2025				
- Number of shares	28,75,880	-	-	28,75,880
- Amount (Thousands of Rs.)	28,758.80	-	-	28,758.80
Year ended 31 March, 2024				
- Number of shares	28,75,880	-	-	28,75,880
- Amount (Thousands of Rs.)	28,758.80	-	-	28,758.80

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights
	Number of shares
As at 31-Mar-2025	
Mahanagar Telephone Nigam Limited, the holding company	28,75,880
As at 31-Mar-2024	
Mahanagar Telephone Nigam Limited, the holding company	28,75,880

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahanagar Telephone Nigam Limited	28,75,880	100	28,75,880	100

11. Other Equity

(Thousand of Rs.)

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Reserves and surplus		
Revenue reserve		
Opening balance	724.12	724.12
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Amortization of fixed assets as per new	-	-
Companies Act 2013	**-**	**-**
Closing balance	**724.12**	**724.12**
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	31,010.30	29,986.64
Add: Profit / (Loss) for the current year	3,607.00	2,461.60
Less: Dividend	(1,437.94)	(1,437.94)
Closing balance	33,179.37	31,010.30
Total	**33,903.48**	**31,734.42**

(Thousand of Rs.)

	Particulars	As at 31-Mar-2025	As at 31-Mar-2024
12	**Other non current liabilities**		
	Mobilization Advance Received from Jammu & Kashmir E-Gov	-	2,177.00
		-	**2,177.00**
13	**Trade Payables**		
	Due to MSME	-	-
	Due to Others	100.00	476.29
		100.00	**476.29**

	Particulars	As at 31-Mar-2025	As at 31-Mar-2024
14	**Other current financial liabilities**		
	Advances from related parties	-	6,060.18
	Earnest money deposit and security deposit	23,226.24	25,071.90
		23,226.24	**31,132.08**
15	**Current Provisions**		
	Provision for expenses	3,282.93	3,396.91
		3,282.93	**3,396.91**
16	**Other current liabilities**		
	Income Received in Advance	**-**	**-**
	Statutory remittances (Professional Tax, Service Tax, TDs payable)	17.05	548.61
		17.05	**548.61**

	Particulars	As at 31 March 2025	As at 31 March 2024
17	**Other Income**		
	Interest income	4,621.80	3,843.92
	Interest on IT refund	14.77	-
		4,636.57	**3,843.92**
18	**Finance costs**		
	Bank Charges	0.38	0.42
		0.38	**0.42**
19	**Other expenses**		
	Travelling and conveyance	8.44	55.69
	Printing and stationery	2.50	-
	Auditor's Fee	75.00	75.00
	Auditor's Courtesy Expenses	7.49	2.00
	Legal & Professional Fee	156.83	111.09
	Rent & Electricity of Office	74.03	68.00
	Interest on Income Tax Deposit	-	0.21
	General Expenses	-	2.30
	Bad Debt Written Off	-	188.76
		324.28	**503.05**
21	**Deferred Tax**	6.90	2.83
	(On property, plant & equipment)		
		6.90	**2.83**
22	**Current tax**	1,266.38	876.01
		1,266.38	**876.01**

Millennium Telecom Limited

Material accounting policies and other explanatory information for the year ended March 31, 2025

	Exceptional Items	(Thousand of Rs.)
20	**Amount written back**	
	Advances from Related Parties	
	MTNL Delhi	4,811.76
	MTNL Mumbai	1,248.42
	Other Parties	-
	Mobilization Advance Received from Jammu & Kashmir E-Gov	2,177.00
	ITI Limited	36.94
	GAAP Education Pvt ltd	339.36
	Provision for MPLS toll plaza	112.00
	Income Tax Provision AY 2007-08	808.42
	Advance from NSRC	1,845.66
	Service Tax Not due for Payable - 10.2%	310.95
	Service Tax Not due for Payable - 5%	229.11
	Total Balances	**11,919.60**
	Amount written off	
	Receivables from Related Parties	
	CE (BW), MTNL, Delhi	1,724.63
	CE (BW), MTNL, Mumbai	1,260.87
	GM (Mktg & PR), MTNL, Mumbai	267.40
	GM (Mktg), MTNL, Delhi	6,010.02
	GM (Mktg-GSM), MTNL Delhi	120.41
	GM (Mktg-GSM), MTNL, Mumbai	32.40
	SVP (Mktg), MTNL, CO	375.26
	GM (Mktg), MTNL, Delhi (CUH project)	51.84
	Other Parties	-
	JAMMU & KASHMIR E GOV	559.69
	Income Tax refund receiveble AY 2007-08	636.48
	Income Tax refund receiveble AY 2015-16	87.85
	Cess credit receivable	20.76
	Krishi Kalyan Cess credit	203.64
		11,351.23
	Net Amount	**568.37**

"The Board of Directors of MTL, in its 110th meeting held on 16th May 2024, approved the constitution of a Committee comprising key finance officers from both Delhi and Mumbai units. The Committee was tasked with a comprehensive review of all such legacy balances, the assessment

of their recoverability or relevance, and the preparation of appropriate recommendations for write-off or adjustment. The Committee comprised the following members:

Shri Anant Ram Gupta, COO, MTL Delhi (Convener)

Shri Gopal Singh Jaswal, DGM (Accounts/Cash & Tax), MTNL Corporate Office

Ms. Sonal Sachin Maher, IFA-MTL, Mumbai

Shri Ravindra Chaudhary, DGM (EB & LC), Mumbai

The Committee convened its meetings on 20th March 2025, 26th March 2025, and 8th April 2025, during which a detailed examination of the outstanding balances was conducted. After obtaining inputs from relevant business units, project managers, and reviewing historical records and reconciliations, the Committee submitted a report recommending the write-off and/or adjustment of certain balances in the books of MTL. The recommendations, duly approved by the competent authority, primarily included the following:

a. Based on the confirmation of balances received from both MTL and MTNL, the committee recommends that the trade receivable of Rs. 97,90,985/-from MTNL be adjusted against the trade payable of Rs. 60,60,175 to MTNL. The remaining balance Rs 37,30,810/- may be considered for write-off in MTL's financial statements for the financial year 2024-25, subject to approval from MTNL.

b. Based on the project completion and reconciliation of payment between MTNL and MTL, the committee recommends that the trade receivable amount of Rs 51,837/- from GM (Mktg) MTNL CO regarding Central University Haryana (CUH) project be write off from MTL's financial statements for the FY 2024-25.

c. Keeping in view that the project was completed more than four years ago, and considering MTL's email dated 20.03.2025 and the submission made by M/s Gaap Education Pvt. Ltd., the committee recommends that the following entries relating to the Jammu & Kashmir e-Governance Agency (JAKEGA) project be write off from MTL's financial statements for the FY 2024-25:

   i. Rs 5,59,685/- trade receivable from Jammu & Kashmir e-Gov(Note No-5)

   ii. b. Rs 21,77,000/- Mobilization advance received from Jammu& Kashmir e Gov.(Page 12).

   iii. Rs 3, 39,357/- trade payable to M/s Gaap Education Pvt. Ltd.(Note No-13).

d. Considering the closure of the service tax regime and the current continuation of GST, the committee recommends that the followings entries relating to the service tax regime be written off from MTL's financial statements for the FY 2024 25:S

   i. Service Tax Not due for Payable-10.2% - 310,945.

   ii. Service Tax Not dueforPayable-5% - 229,109.

   iii. Cess credit receivable - 20,761.

iv. Krishi Kalyan Cess credit - 203,636.

e. Considering provisions made in 2008 and in absence of any records available in MTL finance Mumbai Unit, the committee recommends that the trade receivables amounting to Rs 2,15,771/- from Cement Corporation of India and Rs 58,200/- from HPSEDC under Note No. 5 be write off from MTL's financial statements for the FY 2024-25.

f. Keeping in view that the project was completed more than five years ago, and considering no response to the MTL's email dated 20.05.2025, the committee recommends that trade payable amount of Rs 36,935/- to ITI Limited under note no.13, be written off from MTL's financial statements for the FY 2023-24.

g. Based on the submission of AO (Cash) MTNL CO, the Committee recommends that the amount of Rs 18,45,662 listed as advanced from NSRC Data Centre under Note No. 14 be written off from MTL's financial statements for the FY 2024-25.

h. In the absence of the records available, the committee recommends that the outstanding demand of Rs.133380/- for the Assessment Year 2007–08 should be paid to avoid interest and penalty to the Income Tax Department and the remaining provision for Income Tax i.e. Rs.1,71,442/-(Rs.3,05,322/- minus Rs.1,33,380/) after adjusting the paid amount may be write off from MTL's financial statements for the FY 2024-25.

i. In the absence of adequate details to support the recoverability of this receivable, the Committee recommends that the amount of Rs.87, 849/- appearing as income tax receivable for the Assessment Year 2015-16, be written off from the financial statements in the Financial Year 2024–25.

j. Based on the closing of project more than 4 years ago, the Committee recommends that provision for MPLS toll plaza, amount of Rs 1,12,000/- under note no 15, be written off from MTL's financial statements for the FY 2024-25.

These actions are intended to clean up the books of accounts, remove audit qualifications, and present a true and fair view of the financial position of the Company as at 31st March 2025. All write-offs have been made after due diligence and approvals at the appropriate level and have no material impact on the profitability or going concern status of the Company.

23 Fair value measurements

Financial instruments by category:

All financial assets and financial liabilities of the company are under the amortised cost measurement category at each of the reporting dates.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the company include forward exchange contract derivatives.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level.

The carrying amounts of trade receivables, other financial assets, fixed deposits with banks, trade payables and other current financial liabilities are considered to be approximately equal to the fair value.

The Fixed Deposit shown as Cash and Equivalent as it's nature like "Readily convertible to known amounts of cash" as per IND AS 7. As the company withdraw money from fixed deposit as and when required for its on going projects.

24 Financial risk management

The company is exposed to credit risk and liquidity risk.

Credit risk

Credit risk arises from cash and bank balances, trade receivables and other financial assets carried at amortised cost.

Credit risk management

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Bank balances are held with only high rated banks. The major portion of trade receivables are due from parent company. Accordingly, the provision for impairment is considered immaterial.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and other financial liabilities.

The Company's finance department is responsible for liquidity and settlement management. Also the liquidity position is assessed at reasonable intervals through budgeted cashflow.

25. Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Mahanagar Telephone Nigam Ltd.
Holding Company	Mahanagar Telephone Nigam Ltd.
Subsidiaries	None
Fellow Subsidiaries	Mahanagar Telephone (Mauritius) Ltd
Associates	1. Bharat Sanchar Nigam Ltd. 2. United Telecom Ltd is a joint venture of MTNL. TCIL,TCL and NVPL.MTNL hold 26.68% of shares in UTL. 3. MTNL STPI IT SERVICES LTD (MSITS)
Key Management Personnel (KMP)	Shri Sandeep Govil, Chairman & Director w.e.f 01.10.2023 Shri Sultan Ahmed, Director (Finance), from 09.07.2016 upto 08.04.2025 Shri Anirudh Prasad Singh, Director (Finance) w.e.f. 08.04.2025 Shri Mukesh Kumar Chauhan , Director from 08.11.2022 Shri Deepak Mukherjee, Director from 08.07.2021 upto 16.12.2024 Shri Ratan Mani Sumit , Company Secretary w.e.f. 28.03.2023 No transaction with any of them.
Relatives of KMP	No transactions
Company in which KMP / Relatives of KMP can exercise significant influence	No Transactions

Note: Related parties have been identified by the Management.

26. Details of related party transactions during the year ended 31 March, 2025 and balances outstanding as at 31 March, 2025:

(Thousand of Rs.)

	Associates : Bharat Sanchar Nigam Ltd. / United Telecom Ltd	Holding Company : Mahanagar Telephone Nigam Ltd.	Fellow Subsidiaries : Mahanagar Telephone Nigam (Mauritius) Ltd	Total
Balances outstanding at the end of the year				
Trade receivables				
(C.Y. 2024-2025)	-	-	-	-
(P.Y. 2023-2024)	-	9,842.82	-	9,842.82
Advances to parent company				
(C.Y. 2024-2025)	-	-	-	-
(P.Y. 2023-2024)	-	-	-	-
Trade payables	-			-
Advances from parent company				
(C.Y. 2024-2025)	-	-	-	-
(P.Y. 2023-2024)	-	6,060.18	-	6,060.18
Provision for doubtful receivables, loans and advances	-	-	-	-

27. Contingent liabilities and commitments (to the extent not provided for) is Rs. 59.13 Lakhs as per SL No.38

28. Dividend of Rs 0.50 per equity share has been paid for the year ended 31-03-2024 in the finacial year 2024-25. Board of director recommended to Dividend of Rs 0.50 per Equity Share for the year ended 31-03-2024.

29. The company operates in one segment i.e. providing of services in India. The company is currently not active in providing any services in India.

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: The company has no dues to micro and small enterprises during the year ended March 31, 2025 and March 31, 2024.

31. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

32. The information relating to Value of imports calculated on CIF basis: Expenditure in foreign currency, Earnings in foreign exchange & Amounts remitted in foreign currency during the year on account of dividend; is Nil.

33. Details of consumption of imported and indigenous items are Nil for the company.

34. In the opinion of Board of Directors, current assets, loans & advances, have value on realization in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities has been made in the accounts.

35. The Company's Board of Directors is responsible with respect to the preparation of financial statements in accordance with the requirements of Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" as specified under Section 133 of the Companies Act, 2013 ('Act') read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design,implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements are free from material misstatement, whether due to fraud or error.

36. Bank statement not provided by ICICI Bank having balance of Rs 1/00825 as account is marked under lien by the bank due to order by income tax authorities.

37. During the FY 2024-25, Fixed Assets (Furniture & fixtures, Office Equipment,Electrical fittings, Computer & Vehicles) have been decommissioned/ transferred for disposal.

38. Contingent Liability – Labour Court Proceedings

A claim has been filed against the Company (MTL) before the District Labour Court, Ghaziabad under the provisions of the Payment of Wages Act, 1936. The claim amount is Rs. 59,13,358, comprising salary deductions of Rs. 5,37,578 and compensation of Rs. 53,75,780.

The matter is currently sub judice and no final order has been passed as of the reporting date. The Company has engaged legal counsel for representation and has incurred legal expenses of Rs. 1,05,600/- during FY 2024-25. Based on legal advice and the current status of the proceedings, the management has assessed the matter as a contingent liability and not a provision, in accordance with Ind AS 37.

Accordingly, the contingent liability has been disclosed as under:

Amount Involved: Rs. 59,13,358

Nature of the Matter: Claim under Payment of Wages Act, 1936

Status: Pending before District Labour Court, Ghaziabad

Assessment: Contingent liability; no provision made

39. Lease disclosure

The Company has two leases for office building with MTNL in Delhi and BSNL in NOIDA. The amount of lease rent is Rs. 501/ p.m. in each case. The office space in MTNL building is being commonly used by company and the holding company and the lease term with BSNL Noida is for 12 months. Since, the lease rent of Rs. 501/- p.m. is not a material amount and also the lease term with BSNL, NOIDA is a short term period of not more than 12 months. As such considering the period and the lease rental, which is not material, the IndAs 116 is not applicable in these leases.

Millennium Telecom Limited
Statement of Changes in Equity for the year ended March 31, 2025

40. Equity share capital

Particulars	Number of shares	(Thousand of Rs.)
As at March 31, 2024	28,75,880	28,758.80
Changes during the year	-	-
As at March 31, 2025	**28,75,880**	**28,758.80**
Other equity	**Revenue Reserve**	**Retained earnings**
Opening balance as at April 01, 2024	724.12	31,010.30
Profit / (loss) for the year		3,607.00
Dividend and Proposed Dividend		(1,437.94)
Closing balance as at March 31, 2025	**724.12**	**33,179.37**

41. Ratio analysis

S No.	Particulars	Numerator	Denominator	As at		Variance
				31st March, 2025	31st March, 2024	
1	Current Ratio	Current assets	Current Liabilities	3.19	2.67	19.24%
2	Debt-Equity Ratio	Total debt	Shareholder's equity	-	-	0.00%
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	-	-	0.00%
4	Return on Equity ratio1	Net profits after taxes	Average shareholder's equity	5.76%	4.07%	41.46%
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	-	-	0.00%
6	Trade Receivable Turnover Ratio	Revenue	Average trade receivable	-	-	0.00%
7	Trade Payable Turnover Ratio	Purchases and other expenses	Average trade payables	-	-	0.00%
8	Net Capital Turnover Ratio	Revenue	Working capital	-	-	0.00%
9	Net Profit Ratio	Net profit	Revenue	-	-	0.00%
10	Return on Capital Employed[2]	Earning before interest and taxes	Capital employed	7.79%	5.52%	41.04%
11	Return on Investments					
	- Equity investments[2]	Income generated from investments	Time weighted average investments	7.79%	5.52%	41.04%
	- Mutual fund	Income generated from investments	Time weighted average investments	0.00%	0.00%	0.00%
	- Fixed deposits	Income generated from investments	Time weighted average investments	7.34%	6.54%	12.15%
	- Loans and advances	Income generated from investments	Time weighted average investments	0.00%	0.00%	0.00%

Notes:

1 The Company has earned higher interest income due to increse in Fixed Deposits during the current year as compared to the previous year. The increase in interest income contributed to higher total income without a proportionate rise in operational expense.

2 The Company also recorded exceptional income arising from one-time transactions during the year. These items are non-recurring in nature and have significantly influenced the profitability, thereby impacting financial ratios (refer note 20).

Notes:- No explanation have been provided for any change in the ratio by less than 25% as compared to the ratio of preceeding year.

Millennium Telecom Limited

Material accounting policies and other explanatory information for the period ended 31st March 2025

42. Ageing of trade receivables & payables

Trade Payables **As on 31.03.2025**

For current trade payables, please share aging shcedule in the following format

(Thousand of Rs.)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	100.00	100.00
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
(v) Unbilled Dues *	-	-	-	-	-
vi) Disputed dues - Unbilled *	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**100.00**	**100.00**

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Also, unbilled dues shall be disclosed separately

Trade Payables **As on 31.03.2024**

For current trade payables, please share aging shcedule in the following format

(Thousand of Rs.)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	476.29	-	476.29
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
(v) Unbilled Dues *	-	-	-	-	-
vi) Disputed dues - Unbilled *	-	-	-	-	-
TOTAL	**-**	**-**	**476.29**	**-**	**476.29**

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Also, unbilled dues shall be disclosed separately.

Trade Receivables (Current and Non - current) **As on 31.03.2025**

For both current and non-current trade receivables, please share aging shcedule in the following format

(Thousand of Rs.)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	2,939.00	**2,939.00**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Also, unbilled dues shall be disclosed separately.

Trade Receivables (Current and Non - current) **As on 31.03.2024**

For both current and non-current trade receivables, please share aging shcedule in the following format

(Thousand of Rs.)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	13,341.51	**13,341.51**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Also, unbilled dues shall be disclosed separately.

MILLENNIUM TELECOM LIMITED
Annexures to the Notes forming part of the financial statements

Annexures to note no 4 **(Thousand of Rs.)**

Non Current Tax Assets	As at March 31, 2025	As at March 31, 2024
Income Tax Paid (A.Y. 2003-04)	6,375.78	6,375.78
Income Tax Paid (A.Y. 2003-04)*	436.72	0.00
*Refund of AY 24-25 adjusted against demand of AY 2003-04	0.00	0.00
Income Tax Paid (A.Y. 2004-05)	3,437.13	3,437.13
Income Tax Paid (A.Y. 2005-06)	3,819.31	3,819.31
	14,068.93	**13,632.21**
Less: Provision for taxation		
AY 2003-04	(4,063.13)	(4,063.13)
AY 2004-05	(2,721.49)	(2,721.49)
AY 2005-06	(2,811.09)	(2,811.09)
AY 2007-08	(133.38)	(941.80)
Total	4,339.84	3,094.70
TOTAL	**4,339.84**	**3,094.70**

Annexures to note no 5 **(Thousand of Rs.)**

Trade Receivable	As at March 31, 2025	As at March 31, 2024
Considered Good		
CE (BW), MTNL, Delhi	-	1,724.63
CE (BW), MTNL, Mumbai	-	1,260.87
GM (Mktg & PR), MTNL, Mumbai	-	267.40
GM (Mktg), MTNL, Delhi	-	6,010.02
GM (Mktg-GSM), MTNL Delhi	-	120.41
GM (Mktg-GSM), MTNL, Mumbai	-	32.40
SVP (Mktg), MTNL, CO	-	375.26
GM (Mktg), MTNL, Delhi (CUH project)	-	51.84
JAMMU & KASHMIR E GOV	-	559.69
CIDCO Ltd	100.00	100.00
Thane Municipal Corporation	-	-
UP Building and Other Construction Worker Welfare Board	2,839.00	2,839.00
	2,939.00	**13,341.51**
Considered doubtful		
Cement Corporation of India	-	215.77
HPSEDC	-	58.20
Provision for bad-debt	**-**	**273.97**

Annexures to note no 6 **(Thousand of Rs.)**

Cash and Bank Balance	As at March 31, 2025	As at March 31, 2024
Balances with banks		
(i) In current accounts		
IOB A/C - Mumbai- Collection	22.99	23.22
IOB A/C - Mumbai-Operation	8.27	8.41
IOB A/C - Delhi	58.76	1,060.56
ICICI A/C	100.83	100.83
	190.85	**1,193.01**

Annexures to note no 8 **(Thousand of Rs.)**

Other current asset	As at March 31, 2025	As at March 31, 2024
Income Tax refund receiveble AY 2007-08	-	636.48
Income Tax refund receiveble AY 2015-16	-	87.85
Income Tax refund receiveble AY 2024-25	-	421.95
Income Tax refund receiveble AY 2025-26	26.80	-
	26.80	**1,146.28**

Annexures to note no 9 **(Thousand of Rs.)**

GST TDS credit not utilized	As at March 31, 2025	As at March 31, 2024
CGST Credit-Delhi	-	3.88
SGST Credit-Delhi	-	10.37
IGST Credit-Delhi	168.99	168.99
SGST Credit-UP	-	-
	168.99	**183.24**

Annexures to note no 9 **(Thousand of Rs.)**

Balance with statutory authorities	As at March 31, 2025	As at March 31, 2024
CGST Credit-Mah	5,056.18	5,056.18
SGST Credit-Mah	1,749.50	1,749.50
CGST Credit Delhi	247.28	220.07
SGST Credit Delhi	211.45	185.34
IGST Credit Delhi	4.86	5.96
CGST Credit-UP	4,041.76	4,040.86
SGST Credit-UP	4,041.76	4,040.86
Cess credit receivable	-	20.76
Krishi Kalyan Cess credit	-	203.64
	15,352.79	**15,523.17**

Annexures to note no 13 **(Thousand of Rs.)**

Trade payable	As at March 31, 2025	As at March 31, 2024
Sundry creditors		
ITI Limited	-	36.94
Pentagon Network Solution Ltd	100.00	100.00
GAAP Education Pvt ltd	-	339.36
TOTAL	**100.00**	**476.29**

Annexures to note no 14 **(Thousand of Rs.)**

Other current financial liabilities	As at March 31, 2025	As at March 31, 2024
Advances from related parties		
Holding Company Mahanagar Telephone Nigam Ltd		
Delhi Unit	-	4,811.76
Mumbai Unit	-	1,248.42
	-	**6,060.18**
Trade / security deposits received		
EMD FROM TELEXCELL	10.00	10.00
Deposit from Vikas Buildtech Pvt. Ltd.	10,715.05	10,715.05
Advance from NSRC Data center	-	1,845.66
Deposit from Pentagon Network Sol Pvt Ltd	2,801.19	2,801.19
DEPOSIT OF BDA	9,700.00	9,700.00
	23,226.24	**25,071.90**

Annexures to note no 15 **(Thousand of Rs.)**

Current Provision	As at March 31, 2025	As at March 31, 2024
Provision for MPLS toll plaza	-	112.00
Provision for UP GIS project	3,215.43	3,215.43
Provision for other exp	67.50	67.50
Provision for Rent of UP	-	1.99
	3,282.93	**3,396.91**

Annexures to note no 16 **(Thousand of Rs.)**

Other current liabilities	As at March 31, 2025	As at March 31, 2024
Statutory remittances (Professional Tax, Service Tax, TDs payable)		
Service Tax Not due for Payable - 10.2%	-	310.95
Service Tax Not due for Payable - 5%	-	229.11
TDS Payable-Delhi	10.91	4.00
GST Payable		
CGST TDS-Delhi	3.07	2.28
SGST TDS-Delhi	3.07	2.28
TOTAL	**17.05**	**548.61**

Annexures to note no 17 **(Thousand of Rs.)**

Other Income	As at March 31, 2022	As at March 31, 2021
Interest Income		
FD Interest		
-Delhi	4,621.80	3,826.14
-Delhi (Previous Year)	-	17.78
Interest on Income Tax Refund	14.77	-
	4,636.57	**3,843.92**
Total Other Income	**4,636.57**	**3,843.92**

For M/s Jaikumar Tejwani & Co LLP
Chartered Accountants
Firm's Registration No.: 013415N/ N500101

Sd/-
CA Kamal Tejwani
Partner
Membership No. 099518
UDIN: 25099518BMIASX1249

Place: Delhi
Date: 21-MAY-2025

For and on behalf of the Board of Directors

Sd/-
Sandeep Govil
Chairman & Director
DIN 10040742

Sd/-
Anirudh Prasad Singh
Director (Finance)
DIN 08643565

Sd/-
Ratan Mani Sumit
CS ACS15193

Place: Delhi
Date: 21-MAY-2025

NJC Associates
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAHANAGAR TELEPHONE (MAURITIUS) LTD

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of **Mahanagar Telephone (Mauritius) Ltd** and its subsidiaries (together referred to as the "Group") and the Company's separate financial statements which comprise the statement of financial position as at 31 March 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 21 to 48.

In our opinion, these financial statements give a true and fair view of the financial position of **Mahanagar Telephone (Mauritius) Ltd** as at 31 March 2025 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code) *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the commentary of the directors and certificate from the secretary.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Mauritius Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the principles of the Code.

The directors have given satisfactory explanations on the principles of the Code which have not been complied with, in particular with Section 3 of the Code and the Composition of the Board. In our opinion, the disclosures in the annual report, including explanations on the reasons for non-compliance, is consistent with the principles of the Code.

Directors' Responsibility for the consolidated and separate financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters discussed in the table below relate to the consolidated financial statements. We have determined that there are no key audit matters regarding the audit of the separate financial statements of the Company for the current period to communicate in our report.

Key audit matters	**How our audit addressed the key audit matters**
Revenue recognition (Refer to note 16 to the consolidated financial statements)	
The Group reported revenues of Rs. 402,279,349. The amount involved is material to the Group financial statement and there is a rebuttable presumption that revenue is a significant risk.	Our audit procedures included, among others, obtaining an understanding of, evaluating the design and implementation, testing the operating effectiveness of the controls over the Group's revenue recognition process.

Key audit matters	How our audit addressed the key audit matters
MTML revenue consists of two major streams namely the income from ancillary services and mobile services making up to 27% and 44% respectively of rendering of services revenue category. We have also identified a risk of management override of controls through manual revenue journal entries which may be susceptible to fraud and error.	• Tested the key controls over the calculation of the amounts billed to customers and the capturing and recording of the revenue transactions; • Tested the key controls over the authorisation of the rate changes and the input of such rates to the billing systems; • Tested the end-to-end reconciliations from business support systems to billing systems to the general ledger. • Tested material journals processed between the billing systems and the general ledger. • Performed tests on the accuracy of customer bill generation process on a sample basis and tested a sample of the credits and discounts applied to such customer bills. • We have reviewed the appropriateness of revenue recognition accounting policies and assessed the compliance with the requirement of IFRS 15 *Revenue Recognition*.
Provision of impairment of trade receivables (refer to note 8(a))	
We focused on this area as the provision of trade receivables require the application of judgement and the use of subjective assumptions as described in critical accounting estimates and judgments in Note 4.	We evaluated management's assumptions and methods applied for calculating the provision for impairment of trade receivables by carrying out the following procedures, among others: • Obtained an update of the understanding of the process relating to the provisions for impairment of trade receivables and performed tests of a sample to confirm our understanding. • Obtained an ageing report of trade receivables and tested the accuracy by verifying the ageing of individual invoices on a sample basis. • Obtained the management's calculation of the provision for various age categories made in accordance with the impairment policy and checked if they were in line with assumptions made by management. We have also considered the appropriateness of the policy based on historical experience and application of the Expected Credit Losses model. • We have also considered the appropriateness of the disclosures in accordance with the requirements of IFRS 9.

Auditors' Responsibilities for the Audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

NJC ASSOCIATES
Chartered Accountants
5th Floor, Orbis Court
Royal Road St Jean
Quatre Bornes

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Date: 26/04/2025

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MAHANAGAR TELEPHONE (MAURITIUS) LTD
STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Rs.)

ASSETS	Notes	THE GROUP		THE HOLDING COMPANY	
		2025	2024	2025	2024
Non-current assets					
Property, plant and equipment	5 (a)	**38,29,75,864**	33,98,68,765	**38,29,75,864**	33,98,68,765
Right-of-use assets	5 (b)	**13,80,098**	21,44,589	**13,80,098**	21,44,589
Investment property	5 (c)	**3,09,02,332**	3,36,50,164	**3,09,02,332**	3,36,50,164
		41,52,58,294	37,56,63,518	**41,52,58,294**	37,56,63,518
Current assets					
Inventories	7	**57,00,447**	38,49,268	**57,00,447**	38,49,268
Trade receivables	8(a)	**8,49,29,021**	9,18,55,339	**8,49,29,021**	9,18,55,339
Other current assets	8(b)	**4,29,68,159**	7,18,77,807	**4,30,23,559**	7,19,32,207
Financial Assets at Amortised Cost	9(b)	**13,44,82,323**	13,98,87,713	**13,44,82,323**	13,98,87,713
Cash and cash equivalents	9(a)	**9,90,73,208**	10,71,56,449	**9,90,73,208**	10,71,56,449
		36,71,53,158	41,46,26,576	**36,72,08,558**	41,46,80,976
TOTAL ASSETS		**78,24,11,452**	79,02,90,094	**78,24,66,852**	79,03,44,494
EQUITY AND LIABILITIES					
Equity					
Stated capital	10	**67,37,17,949**	67,37,17,949	**67,37,17,949**	67,37,17,949
Retained earnings	11	**(2,22,34,292)**	40,19,310	**(2,21,80,092)**	40,72,660
		65,14,83,657	67,77,37,259	**65,15,37,857**	67,77,90,609
Non-current liabilities					
Leased liabilities	5 (b)	**12,071**	13,64,383	**12,071**	13,64,383
Deferred tax liabilities	15	**3,23,24,316**	3,66,73,809	**3,23,25,516**	3,66,74,859
		3,23,36,387	3,80,38,192	**3,23,37,587**	3,80,39,242
Current liabilities					
Trade and other payables	12	**9,73,35,748**	7,31,58,982	**9,73,35,748**	7,31,58,982
Current tax liabilities	15	**-**	-	**-**	-
Leased liabilities	5 (b)	**12,55,660**	13,55,660	**12,55,660**	13,55,660
		9,85,91,408	7,45,14,642	**9,85,91,408**	7,45,14,642
TOTAL EQUITY AND LIABILITIES		**78,24,11,452**	79,02,90,094	**78,24,66,852**	79,03,44,494

These financial statements have been approved for issue by the board of directors on 26.04.2025]

(RAMAPATEE GUJADHUR)
DIRECTOR

(A. ROBERT J. RAVI)
DIRECTOR

MAHANAGAR TELEPHONE (MAURITIUS) LTD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

(Rs.)

	Notes	THE GROUP		THE HOLDING COMPANY	
		2025	2024	2025	2024
Revenue	16	**40,22,79,349**	40,93,18,565	**40,22,79,349**	40,93,18,565
Cost of sales	26	(31,13,65,284)	(30,77,18,903)	**(31,13,65,284)**	(30,77,18,903)
Gross profit		**9,09,14,065**	10,15,99,662	**9,09,14,065**	10,15,99,662
Personnel expenses	27	**(2,86,47,495)**	(2,33,87,079)	**(2,86,47,495)**	(2,33,87,079)
Licence fees	28	(6,21,73,668)	(6,27,62,000)	**(6,21,73,668)**	(6,27,62,000)
Other operating expenses	29	(2,58,94,496)	(2,56,39,539)	**(2,58,93,496)**	(2,56,38,539)
Marketing expenses	30	(1,77,92,990)	(1,58,97,394)	**(1,77,92,990)**	(1,58,97,394)
Impairment loss	6	-	-	**-**	-
Other income	13	75,92,654	82,14,866	**75,92,654**	82,14,866
Operating (loss)/ profit	18	**(3,60,01,930)**	(1,78,71,484)	**(3,60,00,930)**	(1,78,70,484)
Finance income	14	**61,05,239**	68,36,034	**61,05,239**	68,36,034
Finance cost	5(b)(ii)	(7,06,404)	(7,06,404)	**(7,06,404)**	(7,06,404)
(Loss)/ profit before tax		**(3,06,03,095)**	(1,17,41,854)	**(3,06,02,095)**	(1,17,40,854)
Taxation	15	**43,49,493**	16,16,779	**43,49,343**	16,16,629
PROFIT FOR THE YEAR		**(2,62,53,602)**	(1,01,25,075)	**(2,62,52,752)**	(1,01,24,225)
Other comprehensive income, net of income tax					
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,62,53,602**	(1,01,25,075)	**(2,62,52,752)**	(1,01,24,225)
(Loss)/ profit attributable to:					
Owners of the parent		**(2,62,53,602)**	(1,01,25,075)		
Non-controlling interests		**-**			
		(2,62,53,602)	(1,01,25,075)		
Earnings per share (Rs.)	17	**(0.04)**	**(0.03)**	**(0.04)**	**(0.03)**

MAHANAGAR TELEPHONE (MAURITIUS) LTD

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

(Rs.)

THE GROUP	Notes	Stated capital	Retained earnings	Total equity
Balance at 01 April 2023		67,37,17,949	2,76,68,025	70,13,85,974
Total comprehensive income for the year		-	(1,01,25,075)	(1,01,25,075)
Adjustment for prior year in relation to solidarity levy (refer to note 25)			(1,35,23,640)	(1,35,23,640)
Balance at 31 March 2024		**67,37,17,949**	**40,19,310**	**67,77,37,259**
Balance at 01 April 2024		**67,37,17,949**	**40,19,310**	**67,77,37,259**
Total comprehensive income for the year		**-**	**(2,62,53,602)**	**(2,62,53,602)**
Balance at 31 March 2025		**67,37,17,949**	**(2,22,34,292)**	**65,14,83,657**

THE HOLDING COMPANY	Notes	Stated capital	Retained earnings	Total equity
Balance at 01 April 2023		67,37,17,949	2,77,20,525	70,14,38,474
Total comprehensive income for the year		-	(1,01,24,225)	(1,01,24,225)
Adjustment for prior year in relation to solidarity levy (refer to note 25)			(1,35,23,640)	(1,35,23,640)
Balance at 31 March 2024		**67,37,17,949**	**40,72,660**	**67,77,90,609**
Balance at 01 April 2024		**67,37,17,949**	**40,72,660**	**67,77,90,609**
Total comprehensive income for the year		**-**	**(2,62,52,752)**	**(2,62,52,752)**
Balance at 31 March 2025		**67,37,17,949**	**(2,21,80,092)**	**65,15,37,857**

MAHANAGAR TELEPHONE (MAURITIUS) LTD

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

(Rs.)

	Notes	The Group		The Holding Company	
		2025	2024	2025	2024
Cash flow from operating activities					
(Loss)/ profit before tax		**(3,06,03,095)**	(1,17,41,854)	**(3,06,02,095)**	(1,17,40,854)
Adjustments for:-					
Provision for bad debts		**1,20,000**	1,20,000	**1,20,000**	1,20,000
Finance cost		**7,06,404**	7,06,404	**7,06,404**	7,06,404
Depreciation	**19**	**6,88,89,750**	6,17,83,447	**6,88,89,750**	6,17,83,447
Cashflow from operation before working capital changes		**3,91,13,059**	5,08,67,997	**3,91,14,059**	5,08,68,997
Changes in working capital					
Inventories		**(18,51,179)**	8,03,486	**(18,51,179)**	8,03,486
Trade and other receivables		**3,57,69,334**	(3,91,34,251)	**3,57,68,333**	(3,91,35,252)
Trade and other payables		**2,41,76,766**	39,74,488	**2,41,76,766**	39,74,488
Net cash generated from operating activities		**9,72,07,980**	1,65,11,720	**9,72,07,979**	1,65,11,719
Cash flows from investing activities					
Purchase of investment in financial assets	**9 (b)**	**53,52,022**	1,93,24,935	**53,52,022**	1,93,24,935
Purchase of property, plant and equipment	**5 (a)**	**(10,84,84,526)**	(2,82,13,906)	**(10,84,84,526)**	(2,82,13,906)
Net cash used in investing activities		**(10,31,32,504)**	(88,88,971)	**(10,31,32,504)**	(88,88,971)
Cash flows from financing activities					
Principal paid on lease liabilities		**(14,52,312)**	(11,09,111)	**(14,52,312)**	(11,09,111)
Interest paid on lease liabilites		**(7,06,404)**	(7,06,404)	**(7,06,404)**	(7,06,404)
Corporate Tax Paid					
Solidarity Levy Paid			(1,35,23,640)		(1,35,23,640)
Net cash used in financing activities		**(21,58,716)**	(1,53,39,155)	**(21,58,716)**	(1,53,39,155)
Net movement in cash and cash equivalents		**(80,83,241)**	(77,16,407)	**(80,83,241)**	(77,16,407)
Movement in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year		**10,71,56,449**	11,48,72,856	**10,71,56,449**	11,48,72,856
Cash and cash equivalents at the end of the year	**9**	**9,90,73,208**	10,71,56,449	**9,90,73,208**	10,71,56,449
Net movement in cash and cash equivalents		**(80,83,241)**	(77,16,407)	**(80,83,241)**	(77,16,407)

MAHANAGAR TELEPHONE (MAURITIUS) LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. CORPORATE INFORMATION

Mahanagar Telephone (Mauritius) Ltd is a private limited Company incorporated in Mauritius on 14 November 2003. The address of the registered office is MTML Square, 63 Cyber City, Ebene, Mauritius. The principal activity of the Holding Company and its subsidiaries is to provide telecommunication services.

2. Standards, Amendments to published Standards and Interpretations

New and revised IFRSs with no material effect on the financial statements:

The following new and revised IFRSs have been adopted in these financial statements. The nature and effect of the application of these new and revised IFRSs and the International Financial Reporting Interpretations Committee ("IFRIC") has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

IFRS 17 Insurance Contracts: establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The amendments have no impact on the Company's financial statements.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7): The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Non-current Liabilities with Covenants (Amendments to IAS 1): The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1): The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

IFRS S2 Climate-related Disclosures: IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that

is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The amendments have no impact on the Company's financial statements.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information: IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

New standards, interpretations and amendments to published standards:

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2025 and which have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application and these statements, where applicable, will be applied in the year when they are effective.

IAS 21 The Effects of Changes in Foreign Exchange Rates: The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendment is effective as from 01 January 2025.

New standards, interpretations and amendments to published standards

IFRS 1 First-time Adoption of International Financial Reporting Standards: Narrow scope amendment to improve consistency with and understanding of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first-time adopter. The amendment is effective as from 01 January 2026.

IFRS 7 Financial Instruments: Disclosures: The amendments to IFRS 7 introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets. The amendment is effective as from 01 January 2026.

IFRS 9 Financial Instruments: Narrow scope amendments to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent, by:

- Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and
- Clarifying the date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also

introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met. The amendment is effective as from 01 January 2026.

IFRS 10 Consolidated Financial Statements: Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The effective date of this amendment has been deferred indefinitely until further notice.

IFRS 18 Presentation and Disclosure in Financial Statements: IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies:

- Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and a requirement for all companies to provide new defined subtotals, including operating profit.
- Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the income statement.
- More useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses.
- This Standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. The Standard is effective as from 01 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures: IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. The Standard is effective as from 01 January 2027.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Mahanagar Telephone (Mauritius) Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are that of the Holding Company and its subsidiaries and are presented in Mauritian Rupees. The financial statements are prepared under the historical cost convention, except that the relevant financial assets and financial liabilities are stated at them fair value or at amortised cost.

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Investments in subsidiaries

Investments in subsidiary companies are carried at cost (or at fair value). The carrying amount is reduced to recognise any impairment in the value of individual investments.

Basis of consolidation

(*i*) *Business combinations*

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss and other comprehensive income. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss and other comprehensive income. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not premeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit or loss and other

comprehensive Income. If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination.

This determination is based on the market based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(*ii*) *Non-controlling interests:*

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in the statement of profit or loss and other comprehensive income.

(*iii*) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(*iv*) *Loss of control*

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of profit or loss and other comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Revenue recognition

Revenue from contracts with customers

(i) Rendering of services

Revenue relates to the provision of telephone services, data communication services and other corollary services.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognise revenue when they transfer control over a good and service to a customer, either over time or at a point in time.

International revenue is derived from outgoing calls from Mauritius and from payments by foreign network operators for calls and other traffic that originate outside Mauritius but which use the Company's network.

The Company pays a proportion of the international traffic revenue it collects from its customers to transit and destination network operators. These revenues and costs are stated gross in the financial statements. Amount payable and receivable from the same foreign network operators are shown net in the statement of financial position where a right of set off exists.

The two subsidiaries of the Company had not yet started operations during the year under review and, as such, did not derive any income.

(ii) Sale of goods

Revenue from sales of goods relates to sales of phone cards and mobile phones.

(ii) Other Income

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the Holding Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

The Holding Company and the Group recognised rental income on an accural basis.

Functional and presentation currency

(*i*) *Reporting currency*

The financial statements are presented in Mauritian Rupees (Rs), which is the Group's and the Company's functional and presentation currency. This represents the currency of the primary economic environment in which the Group and the Company operate.

(*ii*) *Transactions and balances*

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies at year end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

Leases

From January 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Identifying Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Company obtains substantially all the economic benefits from use of the asset; and

(c) The Company has the right to direct use of the asset.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Trade and other payables

Trade payables and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are declared.

Investment in Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity if and only if it has power over the entity and when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect those returns. The Company will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investment in subsidiaries is stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Holding Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Stated capital

Ordinary shares are classified as equity.

Related parties

For the purpose of these financial statements, parties are considered to be related to the company if they have the ability, directly or indirectly, to control the company or exercise significant influence over the company in making financial and operating decisions, or vice versa, or where the company is subject to common control or common significant influence. Related parties may be individuals or other entities.

Financial Instruments

The Group and the Holding Company classifies non-derivative financial assets into the following category: loans and receivables.

The Group and the Holding Company classifies non-derivative financial liabilities into the other financial liabilities category.

(*i*) *Non-derivative financial assets and financial liabilities – recognition and derecognition*

The Group and the Holding Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group and the Holding Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group and the Company is recognised as a separate asset or liability.

The Group and the Holding Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(*ii*) *Non-derivative financial assets – measurement*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

(*iii*) *Non-derivative financial liabilities – measurement*

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(*iv*) *Impairment*

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group and the Company on terms that the Group and the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy.

(*v*) *Financial assets measured at amortised cost*

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition

of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Company/Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, inconsequence, the new expected cashflows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The Company/Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and cash at bank.

Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and

the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the branch and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

Depreciation

Depreciation is recognised in the profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Additions during the year bear a due proportion of the annual depreciation charge. As per the company policy,only 95% of total cost is depreciated over the useful life of the assets and 5% is treated as residual value.

The annual effective depreciation rates used are as follows:

Building	4.75%
Computer equipment	31.67%
Furniture, fixtures and fittings	11.88%
Office equipment	19.00%
Motor vehicles	11.88%
Plant and equipment	9.50%

Gains and losses on disposal of property, plant and equipment are determined by reference to their written down value and are included in determining operating profit.

Investment property

Property held to earn rental and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment losses. Investment properties are measured initially at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

The annual depreciation rates used are as follows:

Building	4.75%

Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control of common significant influence.

Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the First in First out basis (FIFO).The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. Cost of inventories include the transfer from equity of any gains / losses on qualifying cash flow hedges relating to purchases of raw materials.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

With regards to the nature of the Group's and the Company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Going concern

The Group's and the Company's management has made an assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that the Group and the

Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Impairment of assets

Property, plant and equipment and investment properties are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself. Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. Cash flows which are utilised in these assessments are extracted from the yearly budget.

Impairment of financial asset

The loss allowances for financial assets are based on assumption about risk of default and expected loss rates. The Company uses judgement in making theses assumptions and selecting the inputs to the impairment calculation, based on the Group and Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group and Company would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life. The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

Limitations of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation

between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group and Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

5. (a) Property, Plant And Equipment

(i) The Group and the Holding Company

	Building Rs.	Computer equipment Rs.	Furniture, fixtures and fittings Rs.	Office equipment Rs.	Motor vehicles Rs.	Plant and equipment Rs.	Total Rs.
Cost							
At 01 April 2024	7,61,17,144	23,18,102	1,24,55,971	18,32,460	56,02,178	1,38,36,02,041	1,48,19,27,896
Disposal							-
Additions	-	67,900		1,63,970		10,82,52,656	10,84,84,526
At 31 March 2025	**7,61,17,144**	**23,86,002**	**1,24,55,971**	**19,96,430**	**56,02,178**	**1,49,18,54,697**	**1,59,04,12,422**
DEPRECIATION							
At 01 April 2024	3,40,54,438	19,46,042	1,15,02,875	15,63,015	50,93,002	1,08,78,99,759	1,14,20,59,131
Disposal							-
Charge for the year	34,34,790	1,49,101	1,45,755	94,008	1,65,113	6,13,88,660	6,53,77,427
At 31 March 2025	**3,74,89,228**	**20,95,143**	**1,16,48,630**	**16,57,023**	**52,58,115**	**1,14,92,88,419**	**1,20,74,36,558**
NET BOOK VALUE							
At 31 March 2025	**3,86,27,916**	**2,90,859**	**8,07,341**	**3,39,407**	**3,44,063**	**34,25,66,278**	**38,29,75,864**

(ii) The group and the holding company

	Building Rs.	Computer equipment Rs.	Furniture, fixtures and fittings Rs.	Office equipment Rs.	Motor vehicles Rs.	Plant and equipment Rs.	Total Rs.
Cost							
At 01 April 2023	7,61,17,144	20,49,485	1,24,55,971	17,15,736	58,12,178	1,35,57,73,476	1,45,39,23,990
Additions	-	2,68,617		1,16,724	-	2,78,28,565	2,82,13,906
Disposal	-	-	-	-	(2,10,000)	-	(2,10,000)
At 31 March 2024	**7,61,17,144**	**23,18,102**	**1,24,55,971**	**18,32,460**	**56,02,178**	**1,38,36,02,041**	**1,48,19,27,896**
DEPRECIATION							
At 01 April 2023	3,06,19,648	18,57,188	1,13,57,120	15,00,072	50,12,517	1,03,35,90,538	1,08,39,37,083
Charge for the year	34,34,790	88,854	1,45,755	62,943	2,29,561	5,43,09,221	5,82,71,124
Disposal	-	-	-	-	(1,49,076)	-	(1,49,076)
At 31 March 2024	**3,40,54,438**	**19,46,042**	**1,15,02,875**	**15,63,015**	**50,93,002**	**1,08,78,99,759**	**1,14,20,59,131**
NET BOOK VALUE							
At 31 March 2024	**4,20,62,706**	**3,72,060**	**9,53,096**	**2,69,445**	**5,09,176**	**29,57,02,282**	**33,98,68,765**

Depreciation of **Rs. 54,309,221** (2024: Rs. 54,309,221) has been charged in cost of sales and depreciation of **Rs. 3,961,903** (2024: Rs. 3,961,903) has been charged in other operating expenses.

5. (b) (i) RIGHT OF USE ASSETS

Year 2025	The Group and the Holding Company		
	Land Rs.	Building Rs.	Total Rs.
Cost			
At 01 April 2024	**23,74,500**	**60,14,658**	**83,89,158**
Additions	-	-	-
At 31 March 2025	**23,74,500**	**60,14,658**	**83,89,158**
DEPRECIATION			
At 01 April 2024	12,66,400	49,78,169	62,44,569
Charge for the year	79,150	6,85,341	7,64,491
At 31 March 2025	**13,45,550**	**56,63,510**	**70,09,060**
NET BOOK VALUE			
At 31 March 2025	**10,28,950**	**3,51,148**	**13,80,098**

Year 2024		The Group and the Holding Company		
		Land Rs.	Building Rs.	Total Rs.
COST				
	3	**23,74,500**	**60,14,658**	**83,89,158**
Additions		-	-	-
At 31 March 2025		**23,74,500**	**60,14,658**	**83,89,158**
DEPRECIATION				
	3	11,87,250	42,92,828	54,80,078
Charge for the year		79,150	6,85,341	7,64,491
At 31 March 2024		**12,66,400**	**49,78,169**	**62,44,569**
NET BOOK VALUE				
At 31 March 2024		**11,08,100**	**10,36,489**	**21,44,589**

Depreciation of Rs. **764,492** (2023: Rs. 764,492) has been charged in other operating expenses.

Note: The right use of assets consists of :

- Land lease agreement from Landscope (Mauritius) Ltd. The lease is valid for a period of 30 years starting from 2009;
- Leasing of shop outlet. The lease is valid for a period of 5 years starting from 2018.

5. (b) (ii) Lease Liabilities

IFRS 16 'Leases' effective in the financial statements for the accounting period commencing 01 January 2019. The company adopt the standard prospectively by using the modified retrospective approach. IFRS 16 requires lessees to recognise right of use assets and lease liabilities on balance sheet for all leases, except short-term and low value asset leases. At commencement of the lease, the lease liability equals the present value of future lease payments, and the right of use asset equals the lease liability. Depreciation is charged on a straight-line basis, however, interest (finance cost) is charged on outstanding lease liabilities and therefore reduces over the life of the lease. As a result, the impact on the income statement below operating profit is dependent on lease maturity. The breakdown for the lease liability is as follows:

Year 2025	**The Group and the Holding Company**		
	Land Rs.	**Building Rs.**	**Total Rs.**
At April 1	**30,77,110**	**10,76,189**	**41,53,299**
Additions	**-**	**-**	**-**
Finance cost	**4,41,569**	**2,64,835**	**7,06,404**
Repayments	**(4,42,536)**	**(17,16,180)**	**(21,58,716)**
At March 31	**30,76,143**	**(3,75,156)**	**27,00,987**
Analysed as follows:			
- Current			**12,55,660**
- Non Current			12,071
			12,67,731

Year 2024	**The Group and the Holding Company**		
	Land Rs.	**Building Rs.**	**Total Rs.**
At April 1	30,77,110	10,76,189	41,53,299
Additions	-		-
Finance cost	4,41,569	2,64,835	7,06,404
Repayments	(4,23,480)	(17,16,180)	(21,39,660)
At March 31	30,95,199	(3,75,156)	27,20,043
Analysed as follows:			
- Current			13,55,660
- Non Current			13,64,383
			27,20,043

5. (c) Investment Property

The Group and the Holding Company	Building 2025	Building 2024
COST		
At 31 March	**6,08,93,715**	6,08,93,715
DEPRECIATION		
At 01 April	2,72,43,551	2,44,95,719
Charge for the year	27,47,832	27,47,832
At 31 March	**2,99,91,383**	2,72,43,551
NET BOOK VALUE		
At 31 March	**3,09,02,332**	3,36,50,164

Depreciation of Rs **2,747,832** (2023: Rs. 2,747,832) has been charged in other operating expenses.

Note: The Directors of the company have adopted the cost model in accordance with IAS 16 to be used for the valuation of the investment property There were no direct operating expenses related to Investment property during the year under review.

	The Group and the Holding Company	
	2025 Rs.	**2024 Rs.**
The following amounts have been recognised in profit or loss:		
Rental income	**59,29,671**	54,42,307

Investment property relates to MTML building situated at MTML Square, 63, cyber city; 1st floor, 3rd Floor, 4th Floor, 5th Floor are rented out and same treated as investment property. The remaining floors are used by MTML itself. Building is used for office purpose and only the unused part is rented out. Insured valued can be taken as fair value. The insured value of the building is Rs. 150 M and given that approximately 40% of the floors are rented out, the fair value of the investment property will approximate to Rs 60 M, where the fair value measurement is categorised within level 3.

6. Investment in Subsidiaries

	The Holding Company	
	2025 Rs.	**2024 Rs.**
Unquoted investment at cost		
At 01 April	-	-
Impairment losses	-	-
As 31 March	-	-

The impairment losses relates to the two subsidiaries as described below, which were fully impaired.

Details of Company's investment in subsidiaries:-

2025 and 2024					
Name of company	**Country of incorporation**	**Class of shares**	**Principal activity**	**Nominal value of investment Rs.**	**Holding %**
MTML Data Ltd	Mauritius	Ordinary	Telecommunication	20,00,000	100
MTML International Ltd	Mauritius	Ordinary	Telecommunication	1,00,00,000	100

The reporting date of the two subsidiaries is at 31 March 2025.

7. Inventories

	The Group and the Holding Company	
	2025 Rs.	**2024 Rs.**
Stock of subscribers equipment	**57,00,447**	38,49,268

Note:

- All stocks are measured at net realisable value.
- All costs of inventories have been recognised in the cost of sales during the year.
- The cost of inventories recognised as expense and included in cost of sales amounted to Rs. 26,949,344 (2024: Rs.26,667,385).

8.(a) Trade Receivables

	THE GROUP		THE HOLDING COMPANY	
	2025 Rs.	**2024 Rs.**	**2025 Rs.**	**2024 Rs.**
Trade receivables	10,05,48,081	10,81,03,849	10,05,48,081	10,81,03,849
Less: Provision for impairment	**(1,56,19,060)**	(1,62,48,510)	**(1,56,19,060)**	(1,62,48,510)
	8,49,29,021	9,18,55,339	**8,49,29,021**	9,18,55,339

(i) Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before March 31, 2024 or April 01, 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP as the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The closing loss allowances for trade receivables as at March 31, reconcile to the opening loss allowances as follows:

	Trade Receivables	
	2025 Rs.	**2024 Rs.**
Loss allowance as at April 1,	**1,62,48,510**	1,61,28,510
Loss allowance recognised in profit or loss during the year	**1,20,000**	1,20,000
Provision written back during the year	**(7,49,450)**	
At March 31,	**1,56,19,060**	1,62,48,510

Financial Year	Credit sales Rs.	Expected loss rate %	Loss Allowance Rs.
Mar_ 2023	100411059	3%	34,20,000.00
Mar_ 2024	181997245	2%	32,54,000.00
Mar_ 2025	104505000	2%	20,90,100.00

8. (b) Other current assets

	The Group		The Holding Company	
	2025 Rs.	**2024 Rs.**	**2025 Rs.**	**2024 Rs.**
Claims receivable	**58,54,904**	58,54,904	**58,54,904**	58,54,904
Advance payment	**20,00,867**	3,15,52,690	**20,00,867**	3,15,52,690
Prepayments	**2,98,82,132**	3,00,09,699	**2,98,82,132**	3,00,09,699
Other receivables	**52,30,256**	44,60,514	**52,85,656**	45,14,914
	4,29,68,159	7,18,77,807	**4,30,23,559**	7,19,32,207

9.(a) CASH AND CASH EQUIVALENTS

	The Group		The Holding Company	
	2025 Rs.	**2024 Rs.**	**2025 Rs.**	**2024 Rs.**
Cash at bank	**9,62,53,561**	10,03,12,292	**9,62,53,561**	10,03,12,292
Cash in hand	**28,19,647**	68,44,157	**28,19,647**	68,44,157
	9,90,73,208	10,71,56,449	**9,90,73,208**	10,71,56,449

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

9.(b) FINANCIAL ASSETS AT AMORTISED COST

	The Group		The Holding Company	
	2025 Rs.	**2024 Rs.**	**2025 Rs.**	**2024 Rs.**
Interest bearing deposits	**13,11,84,825**	13,65,36,848	**13,11,84,825**	13,65,36,848
Other financial assets at amortised costs	**32,97,498**	33,50,865	**32,97,498**	33,50,865
	13,44,82,323	13,98,87,713	**13,44,82,323**	13,98,87,713

(a) The other financial assets at ammortised cost are interest free, unsecured and are repayable on demand.

(b) Fair values of financial assets at amortised cost

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(c) Impairment and risk exposure

(i) Financial assets at amortised cost did not include any loss allowance at March 31, 2025.

(ii) All of the financial assets at amortised cost are denominated in Mauritian rupee. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

10. STATED CAPITAL

	The Group and the Holding Company			
	2025		2024	
	Number of shares	Ordinary shares Rs.	Number of shares	Ordinary shares Rs.
At 31 March	**67,37,17,949**	67,37,17,949	**67,37,17,949**	67,37,17,949

The shares are fully paid ordinary shares and each carry one voting right and a right to dividends.

11. RETAINED EARNINGS

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At 01 April 2024	**1,75,42,950**	2,76,68,025	**1,75,96,296**	2,77,20,522
Total comprehensive income for the year	**(2,62,53,602)**	(1,01,25,075)	**(2,62,52,752)**	(1,01,24,225)
Dividend proposed (note 19)	**-**		**-**	
At 31 March 2025	**(87,10,652)**	1,75,42,950	**(86,56,457)**	1,75,96,296

12. TRADE AND OTHER PAYABLES

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade payables	**4,48,04,149**	5,25,09,438	**4,48,04,149**	5,25,09,438
Refundable deposit	**59,58,572**	75,11,447	**59,58,572**	75,11,447
Accruals	**57,14,047**	57,02,378	**57,14,047**	57,02,378
VAT payables	**37,20,348**	54,41,937	**37,20,348**	54,41,937
Other payables	**3,71,38,632**	19,93,782	**3,71,38,632**	19,93,782
	9,73,35,748	7,31,58,982	**9,73,35,748**	7,31,58,982

13. OTHER INCOME

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Rental income	**59,29,671**	54,42,307	**59,29,671**	54,42,307
Rental income	**16,62,983**	27,72,559	**16,62,983**	27,72,559
	75,92,654	82,14,866	**75,92,654**	82,14,866

14. FINANCE INCOME

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Interest income	**61,05,239**	68,36,034	**61,05,239**	68,36,034
	61,05,239	68,36,034	**61,05,239**	68,36,034

15A. TAXATION

The Company is liable to income tax at the rate of 15% (2024 15%) on its profit as adjusted for tax purposes. provision for corporate tax was made amount to Rs. NIL in the accounts. There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity.

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current tax charge	**-**	-	**-**	-
Solidarity Levy	**-**	-	**-**	-
Deferred tax charge	**(43,49,493)**	(16,16,779)	**(43,49,343)**	(16,16,629)
Total tax expense for the year	**(43,49,493)**	(16,16,779)	**(43,49,343)**	(16,16,629)

Reconciliation of effective taxation

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
(Loss)/ profit before taxation	**(3,06,03,095)**	(1,17,41,854)	**(3,06,02,095)**	(1,17,40,854)
Income tax at 15%	**(45,90,464)**	(17,61,278)	**(45,90,314)**	(17,61,128)
Non-allowable expenses	**2,22,971**	1,26,499	**2,22,971**	1,26,499
Tax rate differential	**18,000**	18,000	**18,000**	18,000
	(43,49,493)	(16,16,779)	**(43,49,343)**	(16,16,629)

15B. DEFERRED TAX

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred tax assets	**(7,12,186)**	(55,16,441)	**(7,13,236)**	(55,17,341)
Deferred tax liabilities	**(3,16,12,130)**	(3,11,57,368)	**(3,16,12,280)**	(3,11,57,518)
	(3,23,24,316)	(3,66,73,809)	**(3,23,25,516)**	(3,66,74,859)

(a) There is a legallly enforceable right to offset current tax assets against current liabilities and deferred income taxes and liabilities when the deferred income taxes relate to the fiscal authority on the same entity.

(b) The movement on the deferred income tax account is as follows:

Deferred tax assets

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At April 1,	**(55,16,441)**	(53,21,287)	**(55,17,341)**	(53,22,037)
(Charge) for the year	**48,04,255**	(1,95,154)	**48,04,105**	(1,95,304)
At March 31,	**(7,12,186)**	(55,16,441)	**(7,13,236)**	(55,17,341)

Deferred tax liabilities

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At April 1,	**(3,11,57,368)**	(3,29,69,301)	**(3,11,57,518)**	(3,29,69,451)
(Release) / Charge for the year	**(4,54,762)**	18,11,933	**(4,54,762)**	18,11,933
At March 31,	**(3,16,12,130)**	(3,11,57,368)	**(3,16,12,280)**	(3,11,57,518)

16. REVENUE

(a) The following is an analysis of the revenue for the year.

	The Group and the Holding Company	
	2025 Rs.	2024 Rs.
Rendering of services	**37,13,33,604**	38,04,28,179
Sales of goods	**3,09,45,745**	2,88,90,386
Total revenue	**40,22,79,349**	40,93,18,565

(b) Disagreegation of revenue

	The Group and the Holding Company	
	2025 Rs.	**2024 Rs.**
Ancillary services	**11,03,36,842**	10,74,70,858
International Long Distance (ILD)	**1,51,06,391**	2,20,49,389
Mobile services	**17,72,69,016**	18,03,64,444
Voice services	**4,13,48,389**	4,08,12,259
Roaming services	**2,27,24,399**	2,53,08,090
Internet services	**45,48,567**	44,23,139
Sales of mobile	**3,09,45,745**	2,88,90,386
Total revenue	**40,22,79,349**	40,93,18,565

(c) The geographic market is located in Mauritius.

	The Group and the Holding Company	
	2025 Rs.	**2024 Rs.**
Timing of revenue recognition		
At a point in time	**40,22,79,349**	40,93,18,565
Over time	**-**	-
Total revenue	**40,22,79,349**	40,93,18,565

17. EARNINGS PER SHARE

The calculation of earnings per share is based on total comprehensive income for the year after taxation attributable to ordinary shareholders and on the number of shares in issue throughout the two years ended 31 March 2025.

18. PROFIT FROM OPERATIONS

	The Group and the Holding Company	
	2025 Rs.	**2024 Rs.**
Profit from operations is arrived at after charging the following items:-		
Staff costs	**2,86,47,495**	2,33,87,079
Director's fees	**15,000**	15,000
Depreciation on property, plant and equipment	**6,53,77,427**	5,82,71,124
Auditors' remuneration	**1,05,000**	1,05,000

19. DEPRECIATION

	Notes	The Group and the Holding Company	
		2025 Rs.	**2024 Rs.**
Depreciation is as follows:-			
Property, plant and equipment	5(a)	**6,53,77,427**	5,82,71,124
Right of use asset	5(b)	**7,64,491**	7,64,491
Investment Property	5(c)	**27,47,832**	27,47,832
		6,88,89,750	6,17,83,447

Depreciation of Rs 54,309,221 (2024: Rs. 54,309,221) has been charged in cost of sales and depreciation of Rs 3,961,903 (2024: Rs. 3,961,903) has been charged in other operating expenses.

Depreciation of Rs 764,493 (2024: Rs. 764.493) relating to right of use assets has been charged in other operating expenses.

Depreciation of Rs 2,747,832 (2024: Rs. 2,747,832) has been charged in other operating expenses.

20. RELATED PARTY TRANSACTIONS

The Company had the following transactions and balances with related parties.

	The Group and the Holding Company	
	2025 Rs.	**2024 Rs.**
Non- executive director fees	**15,000**	15,000
Remuneration and other short term benefits to key management personnel	56,44,978	45,81,798

— All related party transactions are priced on commercial terms and conditions.

21. COMMITMENTS

(a) *Bank guarantee*

There is a contingent liability not provided for in the accounts in respect of guarantees given to third parties amounting to Rs 7,349,204.The directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

(b) *Capital commitments*

There were No Capital commitments as at 31 March 2025.

22. Financial instruments

Capital management

The Group's and the Company's primary objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern. As the Group and the Company is part of a larger group, the Group's and the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Group and the Company defines "capital" as including all components of equity.

The Group's and the Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Group and the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company and additional needs for capital.

The Group's and the Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Fair value

The Group's and the Company's financial assets and liabilities include trade and other receivables, cash and cash equivalents and trade and other payables.

Fair values of financial assets and liabilities

As at 31 March 2025, the carrying amounts of the following financial assets and financial liabilities shown on the statement of financial position represent or approximate their fair value.

The Group	Carrying Amount	
	2025 Rs.	2024 Rs.
Financial assets		
Trade and other receivables	**8,49,29,021**	9,18,55,339
Financial assets at amortised cost	**13,44,82,323**	13,98,87,713
Other current assets	**1,10,85,160**	1,03,15,418
Cash and cash equivalents	**9,90,73,208**	10,71,56,449
	32,95,69,712	34,92,14,919
Financial liabilities		
Trade and other payables	**9,13,77,176**	6,56,47,535
Lease liabilities	**12,67,731**	27,20,043
	9,26,44,907	6,83,67,578

The Holding Company	Carrying Amount	
	2025 Rs.	2024 Rs.
Financial assets		
Trade receivables	**8,49,29,021**	9,18,55,339
Financial assets at amortised cost	**13,44,82,323**	13,98,87,713
Other current assets	**1,11,40,560**	1,03,69,818
Cash and cash equivalents	**9,90,73,208**	10,71,56,449
	32,96,25,112	34,92,69,319
Financial liabilities		
Trade and other payables	**9,13,77,176**	6,56,47,535
Lease liabilities	**12,67,731**	27,20,043
	9,26,44,907	6,83,67,578

(a) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's and the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(*i*) *Currency risk*

The Group and the Company has assets and liabilities denominated in foreign currencies. Consequently, the Group and the Company is exposed to the risk that the exchange rate of the MUR relative to the foreign currencies may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities which are denominated in foreign currencies. The figures in the table below are all presented in MUR.

The Group	2025 Rs.		2024 Rs.	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Mauritian Rupee (MUR)	**23,77,30,576**	**4,87,28,570**	22,32,77,822	2,91,60,197
United States Dollar (USD)	**6,91,02,131**	**4,36,84,827**	10,86,75,398	2,07,84,204
Euro (EUR)	**2,27,37,005**	**2,31,510**	1,72,61,699	1,84,23,177
	32,95,69,712	**9,26,44,907**	34,92,14,919	6,83,67,578

Sensitivity analysis

Foreign currency sensitivity analysis

A 1 percent strengthening of MUR against USD at 31 March would have increased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

THE GROUP	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume increase of 1% in exchange rate				
Before sensitivity analysis	**46.97**	46.84	**2,54,17,304**	**8,78,91,194**
Increase of 1%	**47.44**	47.31	**(2,56,71,477)**	**(8,87,70,106)**
Difference			**(2,54,173)**	**(8,78,912)**

A 1 percent weakening of MUR against USD at 31 March would have decreased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

THE GROUP	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume decrease of 1% in exchange rate				
Before sensitivity analysis	**46.97**	46.84	**2,54,17,304**	**8,78,91,194**
Decrease of 1%	**46.50**	46.37	**(2,51,63,131)**	**(8,70,12,282)**
Difference			**2,54,173**	**8,78,912**

Foreign currency sensitivity analysis

A 1 percent strengthening of MUR against EUR at 31 March would have decreased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

THE GROUP	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume increase of 1% in exchange rate				
Before sensitivity analysis	**50.50**	50.87	**2,25,05,495**	**(11,61,478)**
Increase of 1%	**51.01**	51.38	**2,27,30,550**	**(11,73,093)**
Difference			**(2,25,055)**	**11,615**

A 1 percent weakening of MUR against EUR at 31 March would have increased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

THE GROUP	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume decrease of 1% in exchange rate				
Before sensitivity analysis	**50.50**	50.87	**2,25,05,495**	**(11,61,478)**
Decrease of 1%	**50.00**	50.36	**2,22,80,440**	**(11,49,863)**
Difference			**2,25,055**	**(11,615)**

The Holding Company	2025 Rs.		2024 Rs.	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Mauritian Rupee (MUR)	**23,77,85,976**	4,87,28,570	**22,33,32,222**	2,91,60,197
United States Dollar (USD)	**6,91,02,131**	4,36,84,827	**10,86,75,398**	2,07,84,204
Euro (EUR)	**2,27,37,005**	2,31,510	**1,72,61,699**	1,84,23,177
	32,96,25,112	9,26,44,907	**34,92,69,319**	6,83,67,578

Sensitivity analysis

Foreign currency sensitivity analysis

A 1 percent strengthening of MUR against USD at 31 March would have increased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes

that all other variables remain constant. The analysis is performed on the same basis for 2024.

The Holding Company	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume increase of 1% in exchange rate				
Before sensitivity analysis	46.97	**46.84**	**2,54,17,304**	**8,78,91,194**
Increase of 1%	47.44	**47.31**	**2,56,71,477**	**8,87,70,106**
Difference			**(2,54,173)**	(8,78,912)

A 1 percent weakening of MUR against USD at 31 March would have decreased profit or loss and other comprehensive inncome by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

The Holding Company	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume decrease of 1% in exchange rate				
Before sensitivity analysis	46.97	**46.84**	**2,54,17,304**	**8,78,91,194**
Decrease of 1%	46.50	**46.37**	**2,51,63,131**	**8,70,12,282**
Difference			**2,54,173**	8,78,912

A 1 percent strengthening of MUR against EUR at 31 March would have decreased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

The Holding Company	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume increase of 1% in exchange rate				
Before sensitivity analysis	**50.50**	50.87	**2,27,37,005**	1,72,61,699
Increase of 1%	**51.01**	51.38	**(2,29,64,375)**	(1,74,34,316)
Difference			**(2,27,370)**	(1,72,617)

A 1 percent weakening of MUR against EUR at 31 March would have increased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes

that all other variables remain constant. The analysis is performed on the same basis for 2024.

The Holding Company	Rate – MUR/USD		2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.		
Assume decrease of 1% in exchange rate				
Before sensitivity analysis	**50.50**	50.87	**2,27,37,005**	1,72,61,699
Decrease of 1%	**50.00**	50.36	**(2,25,09,635)**	(1,70,89,082)
Difference			**2,27,370**	1,72,617

(*ii*) *Interest rate risk*

Financial instruments subject to interest rate risk consist of bank balances. Interest rates applicable to bank balances fluctuate with movements in the prime lending rate and are comparable with rates currently available on the market. The Group's and the Company's variable interest rate instruments are analysed as follows:

The Group	The Group and the Company	
	2025 Rs.	2024 Rs.
Bank balances	**9,90,73,208**	10,71,56,449

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the Group's and the Company's exposure to interest rates for interest bearing assets and liabilities at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 50 basis points lower it would have had the equal but opposite effect, on the basis that all other variables remain the same.

(*iii*) *Price risk*

The Group and Company is not faced with any price risk.

(*b*) *Credit risk*

The Group and Company has no significant concentration of credit risk.

(*c*) *Liquidity risk*

Liquidity risk is the risk that the Group and Company is unable to meet its payment obligations, associated with its financial liabilities, when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash. In addition, the Company has access to its holding company for its financing needs.

(*d*) *Fair value estimation*

The carrying values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

23. Financial summary

Financial summary	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.
Issued and fully paid up share capital	**67,37,17,949**	67,37,17,949	67,37,17,949	67,37,17,949	67,37,17,949
Retained Earnings	**(2,21,80,092)**	40,72,660	2,77,20,525	4,95,88,721	5,32,92,338
Profit before taxation	**(3,06,02,095)**	(1,17,40,854)	(2,54,93,783)	1,82,26,323	2,05,67,799
Profit after taxation	**(2,62,52,752)**	(1,01,24,225)	(2,18,68,196)	15,46,382	94,42,790

24. The Holding Company

The directors consider Mahanagar Telephone Nigam Limited (MTNL), incorporated in India, New Delhi, as the holding company of MTML. MTNL owns 100% of the shares.

25. Prior Year Period Adjustments

During the year ended 31 March 2024, the Company had received a tax assessment from the Mauritius Revenue Authority ("MRA") in relation to solidarity levy for telecommunication companies. The assessments were for the years ended 31 March 2018 and 2019 respectively. Accordingly upon completion of the assesments, MRA has issued a claim of Rs. 13,523,640 for solidairy levy. Therefore management has taken a stand that since these assessments were in relation to prior years, it was resolved to make the adjustments in the opening retained earnings of the earliest prior period being 31 March 2022. Given that these adjustments had no impact on the statement of profit or loss and other comprehensive income and statement of financial position for the years ended 31 March 2023 and 31 March 2022, it was decided not to present comparative figures for the year ended 31 March 2022, resulting in a departure of IAS 8 in relation to prior year period adjustments.

(a) Events after the reporting period

There have been no other material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2025.

26. Cost of sales

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Roaming Charges	32,26,070	28,15,942	32,26,070	28,15,942
ICTA Special account fee/USF Charges	15,87,544	55,45,285	15,87,544	55,45,285
Carrier charges	1,05,40,747	1,27,45,394	1,05,40,747	1,27,45,394
IPLC charges	3,70,15,731	3,80,06,392	3,70,15,731	3,80,06,392
Cost of GSM Mobile	2,69,49,344	2,66,67,385	2,69,49,344	2,66,67,385
IUC charges	1,69,65,912	1,76,81,243	1,69,65,912	1,76,81,243
Rental BTS sites	3,67,36,262	3,52,35,629	3,67,36,262	3,52,35,629
Electricity-Equipments	7,05,53,188	6,93,38,164	7,05,53,188	6,93,38,164
Repairs and maintenance - Equipment	2,01,46,243	1,64,22,661	2,01,46,243	1,64,22,661
Commission and brokerage fees	1,74,03,968	1,85,44,893	1,74,03,968	1,85,44,893
Depreciation of plant and equipment	6,13,88,660	5,43,09,221	6,13,88,660	5,43,09,221
Collocation Charges	88,51,615	1,04,06,694	88,51,615	1,04,06,694
	31,13,65,284	30,77,18,903	**31,13,65,284**	**30,77,18,903**

27. Personnel expenses

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Salaries and allowances	**2,78,63,252**	2,29,23,879	**2,78,63,252**	2,29,23,879
Other benefits	**7,84,243**	4,63,200	**7,84,243**	4,63,200
	2,86,47,495	2,33,87,079	**2,86,47,495**	2,33,87,079

28. Licence fees

	The Group		The Holding Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
PLMN	80,00,000	80,00,000	80,00,000	80,00,000
ILD	-	3,33,330	-	3,33,330
Microware	**86,52,008**	87,07,010	**86,52,008**	87,07,010
Spectrum	**14,66,664**	14,66,664	**14,66,664**	14,66,664
ISP	**50,000**	50,000	**50,000**	50,000
Dealership	**5,000**	5,000	**5,000**	5,000
Earthstation License	**-**	2,00,000	**-**	2,00,000
GSM 2G Spectrum	**10,00,000**	10,00,000	**10,00,000**	10,00,000
GSM 3G	**38,40,000**	38,40,000	**38,40,000**	38,40,000
GSM 4 G	**1,91,59,996**	1,91,59,996	**1,91,59,996**	1,91,59,996
GSM 5 G	**2,00,00,000**	2,00,00,000	**2,00,00,000**	2,00,00,000
	6,21,73,668	6,27,62,000	**6,21,73,668**	6,27,62,000

29. Other operating expenses

	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Meeting expenses	**2,22,971**	1,36,920	**2,22,971**	1,36,920
Rental accomodation	**13,05,250**	11,60,362	**13,05,250**	11,60,362
Water charges	**89,957**	91,999	**89,957**	91,999
Motor vehicle running expenses	**10,08,393**	6,76,513	**10,08,393**	6,76,513
Repairs and maintenance - office	**22,84,085**	20,41,520	**22,84,085**	20,41,520
Repairs and maintenance	**4,32,387**	6,50,900	**4,32,387**	6,50,900
Maintenance sites	**18,50,698**	21,31,744	**18,50,698**	21,31,744
Printing	**37,810**	4,57,070	**37,810**	4,57,070
Stationery	**1,20,321**	1,83,228	**1,20,321**	1,83,228
Communication expenses	**12,99,477**	7,91,363	**12,99,477**	7,91,363
Bank charges	**10,61,713**	12,45,659	**10,61,713**	12,45,659
Horticulture expenses	**71,500**	75,500	**71,500**	75,500
Professional charges	**2,36,305**	1,59,516	**2,36,305**	1,59,516
General expenses	**6,855**	6,869	**6,855**	6,869
Value Added Sevice- Revenue share	**9,70,924**	7,30,633	**9,70,924**	7,30,633
Office insurance	**7,79,203**	7,19,022	**7,79,203**	7,19,022
Security charges	**8,11,965**	7,29,759	**8,11,965**	7,29,759
Licences, rates and taxes	**55,49,846**	49,25,882	**55,48,846**	49,24,882
Provision for bad debts	**1,20,000**	1,20,000	**1,20,000**	1,20,000
Lease rental	**1,68,000**	1,68,000	**1,68,000**	1,68,000
Freight charges	**1,40,552**	-	**1,40,552**	-
Provision written back	**(16,24,450)**	(4,34,497)	**(16,24,450)**	(4,34,497)
Directors fee	**15,000**	15,000	**15,000**	15,000
Travelling Expenses	**12,19,903**	9,49,997	**12,19,903**	9,49,997
Custom duty and clearance	**2,14,741**	4,32,353	**2,14,741**	4,32,353
Depreciation on property, plant and equipment	**39,88,766**	39,61,903	**39,88,766**	39,61,903
Depreciation on right of use assets	**7,64,492**	7,64,492	**7,64,492**	7,64,492
Depreciation on investment property	**27,47,832**	27,47,832	**27,47,832**	27,47,832
	2,58,94,496	2,56,39,539	**2,58,93,496**	2,56,38,539

30. Marketing expenses

	The Group		The Holding Company	
	2024 Rs.	**2023 Rs.**	**2024 Rs.**	**2023 Rs.**
Electricity for shops	**2,17,931**	2,50,500	**2,17,931**	2,50,500
Rent of shops	**20,52,349**	19,32,865	**20,52,349**	19,32,865
Call centre charges	**73,34,931**	56,73,000	**73,34,931**	56,73,000
Publicity and advertisement	**81,87,779**	80,41,029	**81,87,779**	80,41,029
	1,77,92,990	1,58,97,394	**1,77,92,990**	1,58,97,394

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.in, Email: mtnlcsco@gmail.com

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of **MAHANAGAR TELEPHONE NIGAM LIMITED** will be held on **Friday, 31st October, 2025 at 11:30 A.M.** (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following businesses :-

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2025, the reports of the Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** the Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2025, the reports of the Board of Directors and Auditors thereon as circulated to the members be and are hereby considered and adopted"

2. To appoint a director in place of Shri A. Robert J. Ravi (DIN - 10095013) CMD, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Shri A. Robert J. Ravi (DIN - 10095013) CMD, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment as a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

3. To fix the remuneration of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India (C&AG) for auditing the accounts of the Company for the Financial Year 2025-26 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed by

Comptroller & Auditor General of India (C&AG) for the Financial Year 2025-26, as may be deemed fit"

II. SPECIAL BUSINESS:

4. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI ALOK SHUKLA (DIN: 10849459) Sr. DDG (PERS), DEPARTMENT OF TELECOMMUNICATIONS (DoT) AS GOVERNMENT NOMINEE DIRECTOR OF THE COMPANY:

In this connection, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1C) of SEBI (LODR) Regulations, 2015 as amended from time to time, Shri Alok Shukla, (DIN: 10849459) Sr. DDG (Pers), DoT, who was appointed as an Additional Director to function as a Government Nominee Director by President of India vide Department of Telecommunications (DoT), Ministry of Communications, Government of India Letter No. E-5-2/2021-PSA dated 30.01.2025 w.e.f. 30.01.2025 on the Board of the Company in terms of Section 161(1) of the Act and Article 66(D) of the Articles of Association and who holds office upto the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but eligible for reappointment and has consented to act as a Nominee Director and in respect of whom the Company has received notice in writing from the Director himself under Section 160 of the Act proposing himself for the office of the Director of the Company, be and is hereby appointed as Government Nominee Director of the Company."

"RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

5. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF SHRI VISHWAS PATHAK (DIN: 00093771) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

In this connection, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and Regulation 17(1C) & 25(2A) of SEBI (LODR) Regulations, 2015 as amended from time to

time, Shri Vishwas Pathak, (DIN: 00093771) who was appointed as an Additional Director to function as Independent Director vide Department of Telecommunications (DoT), Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 15.04.2025 w.e.f. 15.04.2025 on the Board of the Company in terms of Section 161(1) of the Act and Article 66(D) of the Articles of Association and who holds office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but eligible for reappointment and who meets the criteria for independence as provided in Section 149 (6) of the Act along with the rules there under and Regulations 16(1)(b) of SEBI (LODR) Regulations, 2015 and who has submitted declaration to that effect and has consented to act as an Independent Director and in respect of whom the Company has received notice in writing from the Director himself under Section 160 of the Act proposing himself for the office of the Director of the Company, be and is hereby re-appointed as an Independent Director of the Company for a period of 01 years, w.e.f. from the date of notification of their re-appointment, or until further orders, whichever is earlier and shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

6. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF Ms. DEEPIKA MAHAJAN (DIN: 09408802) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

In this connection, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and Regulation 17(1C) & 25(2A) of SEBI (LODR) Regulations, 2015 as amended from time to time, Ms. Deepika Mahajan (DIN: 09408802) who was appointed as an Additional Director to function as Independent Director vide Department of Telecommunications (DoT), Ministry of Communications, Government of India Letter No. E-5-3/2018-PSA dated 15.04.2025 w.e.f. 15.04.2025 on the Board of the Company in terms of Section 161(1) of the Act and Article 66(D) of the Articles of Association and who holds office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but eligible for reappointment and who meets the criteria for independence as provided in Section 149 (6) of the Act along with the rules there under and Regulations 16(1)(b) of SEBI (LODR) Regulations, 2015 and who has submitted declaration to that effect and has consented to act as Independent Director and in respect of whom the Company has received notice in writing from the Director herself under Section 160 of the

Act proposing herself for the office of the Director of the Company, be and is hereby re-appointed as an Independent Director of the Company for a period of 01 years, w.e.f. from the date of notification of their re-appointment, or until further orders, whichever is earlier and shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

7. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI SUDHAKARARAO PAPA (DIN: 10801670) DIRECTOR (ENTERPRISE), BSNL AS DIRECTOR (TECHNICAL) OF THE COMPANY:

In this connection, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions , if any of the Companies Act, 2013 ("the Act") and Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1C) of SEBI (LODR) Regulations, 2015 as amended from time to time, Shri Sudhakararao Papa, (DIN:10801670) Director (Enterprise) BSNL, who was appointed as an Additional Director to function as a Director (Technical) by President of India vide Department of Telecommunications (DoT), Ministry of Communications, Government of India Letter No. E-2-2/2021-PSA dated 07.05.2025 w.e.f. 09.05.2025 on the Board of the Company in terms of Section 161(1) of the Act and Article 66(D) of the Articles of Association and who holds office upto the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but eligible for reappointment and has consented to act as a Director (Technical) and in respect of whom the Company has received notice in writing from the Director himself under Section 160 of the Act proposing himself for the office of the Director of the Company, be and is hereby appointed as Director (Technical) of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

8. TO CONSIDER AND APPROVE THE MODIFICATION IN THE RESOLUTION PASSED AT THE 36TH ANNUAL GENERAL MEETING WHILE RE-AFFIRMING THE BORROWING POWERS OF MTNL BOARD OF Rs 35000 CRORE:

In this connection, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special 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 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, Central/State Government or its affiliate bodies, Inter Corporate Debt directly in any form 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 paper on such terms & conditions as it may deem fit, such sums as may be considered necessary up-to the limit of Rs. 35000/- crore or equivalent amount in any other foreign currency outstanding at any one time and that such borrowings shall be exclusive of temporary loans/short terms loans obtained from the Company's Bankers in the ordinary course of business."

"RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

9. TO CONSIDER AND APPROVE THE APPOINTMENT OF M/s R.P. SEHGAL & ASSOCIATES, PRACTICING COMPANY SECRETARIES AS SECRETARIAL AUDITOR OF THE COMPANY COMMENCING FROM FINANCIAL YEAR 2025-26 TILL FINANCIAL YEAR 2029-30:

In this connection, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 179 & 204 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and Regulation 24A and other applicable provisions of SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Board of Directors of the Company, M/s R.P. Sehgal & Associates, Practicing Company Secretaries (CP No: 14936 and Peer Review Certificate No. 5495/2024) be and are hereby appointed as the Secretarial Auditor of the Company, to carry out the Secretarial Audit of the Company for a term of 5 consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30 at a fees of Rs. 19,000/- per financial year (Rupees Nineteen Thousand only per financial year) exclusive of GST."

"RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

10. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2025-26:

In this connection, to consider, and if thought fit, to pass with or without modification(s), the following resolution as **an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force**,** M/s. R.M. Bansal & Co. Cost Auditors appointed by the Board of Directors of the Company based on the recommendation of the Audit Committee, to conduct the Cost Audit of the Company for the Financial Year 2025-26, at a total fees of Rs.1,12,100/- (Fees Rs.80,000/- plus Rs.15,000/- towards out of pocket expenses plus GST @18% on the Gross Amount of Rs.95,000/-) at the same rates, terms & conditions that of the last year i.e. Financial Year 2024-25 be and is hereby ratified and confirmed"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

BY Order of the Board
For MAHANAGAR TELEPHONE NIGAM LIMITED

(RATAN MANI SUMIT)
COMPANY SECRETARY

Place: New Delhi
Date: 30.09.2025

NOTES

1. The Ministry of Corporate Affairs ("MCA"), vide its General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024 and 03/2025 dated September 22, 2025 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA and SEBI Circulars, applicable provisions of the Companies Act, 2013 and Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the 39th AGM of the Company is being convened and conducted through VC. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The Company has enabled the Members to participate at the 39th AGM through the VC facility provided by CDSL. The Company is providing two-way teleconferencing facility or webex for the ease of participation of the Members. Hence, Members can attend and participate in the 39th AGM through VC. The instructions for participation by Members are given in the subsequent pages. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.

3. As per the provisions under the MCA Circulars, Members attending the 39th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4. The Company has provided the facility to Members to exercise their right to vote by electronic means both through Remote E-Voting and E-Voting during the AGM. The process of Remote E-Voting with necessary user id and password is given in the subsequent paragraphs. Such Remote E-Voting facility is in addition to voting that will take place at the 39th AGM being held through VC.

5. Members joining the meeting through VC, who have not already cast their vote by means of Remote E-Voting will be able to exercise their right to vote through E-Voting at the AGM. The Members who have cast their vote by Remote E-Voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

6. The Company has appointed Shri Hemant Kumar Singh, Partner of M/s Hemant Singh & Associates, Practicing Company Secretaries, Delhi (C.P. No. 6370 and FCS 6033), as the Scrutinizer for scrutinize the E-Voting process in a fair and transparent manner.

7. As per Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his/her behalf. Since the 39th AGM is being held through VC as per the MCA & SEBI Circulars, physical attendance of

members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be made available for the 39th AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

8. Corporate members are required to access the link www.evotingindia.com and upload a certified copy of the Board Resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC. The said resolution/authorization be sent to the Scrutinizer at email hemantsinghcs@gmail.com with a copy marked to RTA beetalrta@gmail.com.

9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. The Register of Members and Share Transfer Books will remain closed from **Saturday, October 25, 2025 to Friday, October 31, 2025 (**Both days inclusive).

11. In line with the MCA and SEBI Circulars, the Notice calling the 39th AGM has been uploaded on the website of the Company at https://mtnl.in/annual.html. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE and NSE at www.bseindia.com and www.nseindia.com respectively. The 39th AGM Notice is also disseminated on the website of CDSL (Agency for providing the Remote E-Voting facility and E-Voting system during the 39th AGM) at www.evotingindia.com.

12. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Company shall send the Notice of 39th Annual General Meeting, Instructions for Remote E-Voting and E-Voting at AGM, and Annual Report for the Financial Year 2024-25 only through electronic mode, to those members who have registered their e-mail address with the Company or with their respective Depository Participant (DP) and have opted to receive the aforesaid documents in electronic form. As per Regulation 36(1)(b) of SEBI (LODR) Regulations, 2015, as amended, the web-link, including the exact path, where complete details of the Annual Report are available will be sent to those member(s) who have not registered their email address(es) either with the Company or with any Depository or M/s Beetal Financial & Computer Services (P) Ltd , Registrar & Share Transfer Agent (RTA) of the Company. Also as per Regulation 36 of SEBI (LODR) Regulations, 2015 the hard copy of full Annual Report will be sent to those Shareholders who requested for the same.

13. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated or register their email addresses if not earlier registered with their Depository through their Depository Participant(s). Members holding shares in physical mode and who wish to receive the Notice of 39th AGM and are also requested to update their Email addresses, Bank details and Change in address request by writing to the Registrar and Transfer Agent of the Company i.e. M/s Beetal Financial Computer & Services (P) Ltd

by quoting their folio number(s) or by sending email at beetalrta@gmail.com along with the duly filled in Form ISR-1, along with related proof available at www.mtnl.in.

14. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts, in respect of the businesses under Item No. 4 to 10 of Special Businesses, as set out above and form part of the Notice. Further, the relevant details with respect to Item No. 4 to 7 pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard- II on General Meetings issued by the Institute of Company Secretaries of India (ICSI) in respect of Directors seeking reappointment at this AGM are also annexed. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection by the members electronically. Members seeking to inspect such documents can send an email to mtnlcsco@gmail.com.

15. In terms of the provisions of Section 152 of the Act, Shri A. Robert J. Ravi, CMD of the Company, retires by rotation at the meeting and being eligible, offers himself for re-appointment. Shri A. Robert J. Ravi, CMD of the Company is interested in the Ordinary Resolutions set out at Item No. 2 of the Notice with regard to his re-appointment. None of the other 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.

16. Pursuant to Section 143(5) of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C & AG) under Section 139(5) of Companies Act 2013 and in terms of sub-section (1) of Section 142 of the Companies Act, 2013. Their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine.

17. Brief resume of Directors including those proposed to be appointed / reappointed, nature of their expertise in specific functional areas, names of Companies in which they hold Directorships and Memberships/ Chairmanships of Board Committees, Shareholding and Relationships between Directors inter-se as stipulated under Regulation 36(3) of SEBI (LODR) Regulations, 2015 are provided as Annexure to Notice.

18. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent (RTA), the details of such folios together with the share certificates for consolidating their holding in one folio as per the procedure stipulated in SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022.

19. Members may please note that the Listing Regulations mandate transfer, transmission and transposition of securities of listed companies held in physical form only in demat mode. Further, SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, read with relevant SEBI circulars issued from time-to-time, has mandated

the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate etc., by submitting a duly filled and signed Form ISR-4 along with requisite supporting documents to RTA of the Company as per the requirement of the aforesaid circular.

20. SEBI vide its Circular nos. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI/HO/MIRSD/MIRSD-PoD- 1/P/CIR/2023/37 dated March 16, 2023, has mandated Members holding shares in physical form to submit PAN, nomination, contact details, bank account details and specimen signature in specified forms. Members may access https://mtnl.in/investors.html for Form ISR-1 to register PAN/email id/bank details/other KYC details, Form ISR-2 to update signature and Form ISR-3 for declaration to opt out. Members may make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, the format of which is available on the Company's website and on the website of the Company's Registrar and Share Transfer Agent. In compliance with SEBI Guidelines, the Company had sent communication intimating about the submission of above details to all the Members holding shares in physical form.

21. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with Master circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023) has established a Common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Any disputes or unresolved issues related to service requests, service-related complaints between Investors/Shareholders and Listed Companies (including their RTA) or any other specified Intermediaries/Regulatory Entities arising from their activities in the securities market will be addressed under this mechanism, in accordance with the guidelines provided in the aforementioned SEBI Circulars.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA of the Company.

23. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, pursuant to the provisions of SEBI Circular No. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding if not done so far, to avoid inconvenience.

24. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 as amended. Members holding shares in Physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of Shares held in dematerialized form, the Nomination Form may be filed with the respective Depository Participants.

25. The following documents (Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts or Arrangements in which Directors are interested, maintained under the Companies Act, 2013) will be available for inspection by the Members electronically during the 39th AGM. Members seeking to inspect such documents can send an email to mtnlcsco@gmail.com**.**

26. Members desirous of getting any information about the Annual Accounts and/or Operations of the Company are requested to write to mtnlcsco@gmail.com at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

27. In accordance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 2, 2025, Shareholders of the Company are hereby informed that a special window has been opened from July 07, 2025 to January 06, 2026, for Re-Lodgment of transfer deeds. Shareholders are to note that this window is only for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 for transfer of physical shares, and rejected/ returned/not attended to due to deficiency in the documents/process/or otherwise. The shares that are re-lodged for transfer shall be issued only in demat mode. Shareholders who wish to avail the opportunity are requested to contact our Registrar and Share Transfer Agent, Beetal Financial & Computer Services Pvt. Ltd at 3rd Floor, Beetal House 99, Madangir, behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110 062 (Contact No. 011- 42959000 – 009, Email ID beetalrta@gmail.com). The Company's website, www.mtnl.in, has been updated with the details regarding the opening of this special window and further updates if any, shall be uploaded therein.

28. As the 39th AGM is being held through VC, the route map is not mentioned in the Notice.

29. Annual Listing Fees for the Financial Year 2025-26 has been paid to the Stock Exchanges i.e. NSE and BSE wherein securities of the Company are listed.

30. **CDSL E-Voting System – For Remote E-Voting and E-Voting during AGM:-**

(i) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the Companies shall be conducted as per the Guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No.03/2022 dated May 05, 2022, Circular No.10/2022 dated December 28, 2022 & Circular No.11/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, Circular No 09/2024 dated September 19, 2024 and Circular No 03/2025 dated September 22, 2025. The forthcoming AGM will thus be held through

Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the 39th AGM through VC/OAVM.

(ii) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 05, 2022, December 28, 2022, September 25, 2023, September 19, 2024 and September 22, 2025, the Company is providing facility of Remote E-Voting to its Members in respect of the business to be transacted at the 39th AGM. For this purpose, your Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized E-Voting's agency. The facility of casting votes by a member using Remote E-Voting as well as the E-Voting system on the date of the AGM will be provided by CDSL.

(iii) **A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date (Friday, October 24, 2025) only shall be entitled to avail the facility of Remote E-Voting or for participation at the AGM and E-Voting during AGM. A person who is not a Member as on the Cut-off Date (Friday, October 24, 2025), should treat the Notice for information purpose only.**

(iv) The Members can join the 39th AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 39th AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 39th AGM without restriction on account of first come first served basis.

(v) The attendance of the Members attending the 39th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

(vi) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or Body Corporate can attend the 39th AGM through VC/OAVM and cast their votes through e-voting.

(vii) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 39th AGM has been uploaded on the website of the Company at www.mtnl.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at

www.bseindia.com and www.nseindia.com respectively. The 39th AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote E-Voting facility and E-Voting system during the 39th AGM) i.e. www.evotingindia.com.

(viii) The 39th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No.03/2022 dated May 05, 2022, Circular No. 10 & 11/2022 dated December 28, 2022, Circular no. 09/2023 dated September 25, 2023, Circular No 09/2024 dated September 19, 2024 and Circular No 03/2025 dated September 22, 2025.

(ix) In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022, General Circular No. 10/2022 dated 28.12.2022, General Circular No. 09/2023 dated 25.09.2023 and General Circular No 09/2024 dated September 19, 2024 and after due examination, it has been decided to allow the Companies to conduct their AGMs through VC or OAVM, till further orders, in accordance with the requirements laid down in Para 3 and 4 of the General Circular No. 20/2020 dated 05.05.2020.

GENERAL INSTRUCTIONS FOR THE SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING 39th AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL E-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL E-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on **Tuesday October 28, 2025 9.00 A.M**. and ends on **Thursday October 30, 2025 5.00 P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday October 24, 2025** may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 and Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023 as per Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide Remote E-Voting facility to its Shareholders, in respect of all Shareholders' resolutions. However, it has been observed that the participation by the Public Non-Institutional Shareholders/Retail Shareholders is at a negligible level.

Currently, there are multiple E-Voting service providers (ESPs) providing E-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable E-Voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in E-Voting process.

Step 1: Access through Depositories CDSL/NSDL E-Voting system in case of Individual Shareholders holding shares in demat mode.

(iv) In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023 on E-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access E-Voting facility.

Pursuant to abovesaid SEBI Circular**,** Login method for E-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach E-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the E-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see E-Voting page of the E-Voting service provider for casting your vote during the remote E-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all E-Voting Service Providers, so that the user can visit the E-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4) Alternatively, the user can directly access E-Voting page by providing Demat Account Number and PAN No. from a E-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the E-Voting option where the evoting is in progress and also able to directly access the system of all E-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see E-Voting services. Click on "Access to e-Voting" under E-Voting services and you will be able to see E-Voting page. Click on company name or E-Voting service provider name and you will be re-directed to E-Voting service provider website for casting your vote during the remote E-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the E-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of E-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see E-Voting page. Click on company name or E-Voting service provider name and you will be redirected to E-Voting service provider website for casting your vote during the

Type of shareholders	Login Method
	remote E-Voting period or joining virtual meeting & voting during the meeting. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/ evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for E-Voting facility. After Successful login, you will be able to see E-Voting option. Once you click on E-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see E-Voting feature. Click on company name or E-Voting service provider name and you will be redirected to E-Voting service provider website for casting your vote during the remote E-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 099 11
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL E-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Log in method for e-Voting and joining Virtual meeting for Physical Shareholders and Shareholders other than Individual holding in Demat form.

1) The shareholders should log on to the E-Voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier E-Voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

After entering these details appropriately, click on "SUBMIT" tab.

(vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-Voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) For shareholders holding shares in physical form, the details can be used only for E-Voting on the resolutions contained in this Notice.

(viii) Click on the EVSN for Mahanagar Telephone Nigam Limited.

(ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) **Additional Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature

of the duly authorized signatory who are authorized to vote, to the Scrutinizer (hemantsinghcs@gmail.com) and to the Company (mtnlcsco@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL E-Voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 39th AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & E-Voting on the day of the 39th AGM is same as the instructions mentioned above for Remote E-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote E-voting.

3. Shareholders who have voted through Remote E-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the 39th AGM.

4. Facility of joining the AGM through VC/OAVM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility will be available for Members on first come first served basis. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. For better experience, we recommend you to join the AGM with high-speed wired internet connectivity. This prevents WiFi dropouts and speed issues.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a Speaker by sending their request from **Friday, October 10, 2025 to Friday October 24, 2025** mentioning their name, demat account number/folio number, email id, mobile number at mtnlcsco@gmail.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries from **Friday, October 10, 2025 to Friday October 24, 2025** mentioning their name, demat account number/folio number, email id, mobile number at mtnlcsco@gmail.com. These queries will be replied to by the Company suitably by email.

8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those Shareholders, who are present in the 39th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system available during the 39th AGM.

10. If any Votes are cast by the Shareholders through the E-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility, then the votes cast by such Shareholders shall be considered invalid as the facility of E-Voting during the meeting is available only to the Shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. **For Physical Shareholders-** please provide necessary details like Folio No., Name of Members, Scanned copy of the share certificate (front and back), Self attested copy of PAN Card and Self-attested copy of any one document from Aadhar Card, Driving License, Election Identity Card and Passport for registering email address/ Mobile Number by email to mtnlcsco@gmail.com/beetalrta@gmail.com.

2. **For Demat Shareholders -** Please update your email id & mobile no. with your respective Depository Participant (DP)

3. **For Individual Demat Shareholders –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while E-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending 39th AGM & E-Voting from the CDSL E-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 099 11.

   All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 099 11.

31. The Scrutinizer will submit his report to the Chairman/Company Secretary after the completion of the scrutiny and the result of the voting will be announced by the Chairman/ Company Secretary on or before 04.11.2025 (within two working days of conclusion of AGM) and will be displayed on the website of the Company (www.mtnl.in), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

BY Order of the Board
For MAHANAGAR TELEPHONE NIGAM LIMITED

(RATAN MANI SUMIT)
COMPANY SECRETARY

Place: NEW DELHI
Date: 30.09.2025

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

ITEM NO 4: - TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI ALOK SHUKLA (DIN: 10849459) Sr. DDG (PERS), DEPARTMENT OF TELECOMMUNICATIONS (DoT) AS GOVERNMENT NOMINEE DIRECTOR OF THE COMPANY:

Shri Alok Shukla, (DIN: 10849459), Sr. DDG (Pers), DoT, was entrusted with the additional charge of the Post of Government Nominee Director of MTNL w.e.f. 30.01.2025 vide Department of Telecommunications (DoT), Ministry of Communications, Government of India Letter No. E-5-2/2021-PSA dtd. 30.01.2025 for a period of three years with immediate effect or till the date of his superannuation or till further orders, whichever is the earliest. Shri Alok Shukla assumed the office of Government Nominee Director of MTNL w.e.f. 30.01.2025.

Section 152 (2) of the Companies Act 2013 stipulates that every Director shall be appointed by the Company in a general meeting. However, Section 161(1) of the Companies Act gives power to the Board of Directors to appoint an Additional Director who shall hold office upto the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Regulation 17(1C) of SEBI (LODR) Regulations, 2015 also stipulates that approval of shareholders for appointment or reappointment of a person on the Board is to be taken at the next general meeting.

The Company has received notice in writing under Section 160 of the Act from Shri Alok Shukla proposing his candidature for the office of Government Nominee Director of the Company. The Nomination and Remuneration Committee of the Board of Directors of your Company has also recommended the reappointment of Shri Alok Shukla as Government Nominee Director of your Company pursuant to Section 160 of the Companies Act, 2013.

Brief resume of Shri Alok Shukla, nature of his expertise in specific functional areas and name of other companies in which he holds directorships and memberships/chairmanships of Board level Committees and relationships between directors inter-se as stipulated under Listing Regulations is annexed to the Notice.

Shri Alok Shukla does not hold any share in the Company in either his individual capacity or as beneficiary. Additional information of the Director, pursuant to the SEBI (LODR) Regulations, 2015 and the Secretarial Standard- II on General meetings issued by the ICSI has also been provided in the Notice.

Shri Alok Shukla is interested in the resolution as set out at Item no 4 respectively, of the Notice of 39th AGM, which pertains to his reappointment. The respective relatives of Shri Alok Shukla may be deemed to be interested in the resolution set out at Item no 4 respectively of the 39th AGM Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other 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 as set out in the accompanied Notice of 39th AGM for approval of the shareholders by way of Ordinary Resolution.

ITEM NO 5: - TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF SHRI VISHWAS PATHAK (DIN: 00093771) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

Shri Vishwas Pathak, (DIN: 00093771), was re-appointed as an Independent Director of MTNL w.e.f. 15.04.2025 vide Department of Telecommunications (DoT), Ministry of Communications, Government of India Letter No. vide E-5-3/2018-PSA dated 15.04.2025 for a period of one years with effect from the date of notification of their re-appointment, or until further orders, whichever is earlier. Shri Vishwas Pathak assumed the office of Independent Director of MTNL w.e.f. 15.04.2025.

Section 152 (2) of the Companies Act 2013 stipulates that every Director shall be appointed by the Company in a general meeting. However, Section 161(1) of the Companies Act gives power to the Board of Directors to appoint an Additional Director who shall hold office upto the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Regulation 17(1C) of SEBI (LODR) Regulations, 2015 stipulates that approval of shareholders for appointment or reappointment of a person on the Board is to be taken at the next general meeting. Further, Regulation 25(2A) of SEBI(LODR) Regulations, 2015 also stipulates that appointment & re-appointment of an Independent Director shall be subject to the approval of Shareholders by way of Special Resolution.

The Company has received notice in writing under Section 160 of the Act from Shri Vishwas Pathak proposing his candidature for the office of Independent Director of the Company. The Nomination and Remuneration Committee of the Board of Directors of your Company has also recommended the reappointment of Shri Vishwas Pathak as Independent Director of your Company pursuant to Section 160 of the Companies Act, 2013.

Brief resume of Shri. Vishwas Pathak, nature of his expertise in specific functional areas and name of other companies in which he holds directorships and memberships/chairmanships of Board level Committees and relationships between directors inter-se as stipulated under Listing Regulations is annexed to the Notice.

Shri Vishwas Pathak does not hold any share in the Company in either his individual capacity or as beneficiary. Additional information of the director, pursuant to the SEBI (LODR) Regulations, 2015 and the Secretarial Standard- II on General meetings issued by the ICSI has also been provided in the Notice.

Shri Vishwas Pathak is interested in the resolution as set out at Item no 5 respectively, of the Notice of 39th AGM, which pertains to his reappointment. The respective relatives of Shri Vishwas Pathak may be deemed to be interested in the resolution set out at Item no 5 respectively of the Notice of 39th AGM to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other 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 as set out in the accompanied Notice of 39th AGM for approval of the shareholders by way of Special Resolution.

ITEM NO 6: - TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF Ms. DEEPIKA MAHAJAN (DIN: 09408802) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

Ms. Deepika Mahajan, (DIN: 09408802), was re-appointed as an Independent Director of MTNL w.e.f. 15.04.2025 vide Department of Telecommunications (DoT), Ministry of Communications, Government of India Letter No. vide E-5-3/2018-PSA dated 15.04.2025 for a period of one years with effect from the date of notification of their re-appointment, or until further orders, whichever is earlier. Ms. Deepika Mahajan, assumed the office of Independent Director of MTNL w.e.f. 15.04.2025.

Section 152 (2) of the Companies Act 2013 stipulates that every Director shall be appointed by the Company in a general meeting. However, Section 161(1) of the Companies Act gives power to the Board of Directors to appoint an Additional Director who shall hold office upto the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Regulation 17(1C) of SEBI (LODR) Regulations, 2015 stipulates that approval of shareholders for appointment or reappointment of a person on the Board is to be taken at the next general meeting. Further, Regulation 25(2A) of SEBI(LODR) Regulations, 2015 also stipulates that appointment & re-appointment of an Independent Director shall be subject to the approval of Shareholders by way of Special Resolution.

The Company has received notice in writing under Section 160 of the Act from Ms. Deepika Mahajan proposing her candidature for the office of Independent Director of the Company. The Nomination and Remuneration Committee of the Board of Directors of your Company has also recommended the reappointment of Ms. Deepika Mahajan as Independent Director of your Company pursuant to Section 160 of the Companies Act, 2013.

Brief resume of Ms. Deepika Mahajan, nature of her expertise in specific functional areas and name of other companies in which she holds directorships and memberships/chairmanships of Board level Committees and relationships between directors inter-se as stipulated under Listing Regulations is annexed to the Notice.

Ms. Deepika Mahajan does not hold any share in the Company in either her individual capacity or as beneficiary. Additional information of the director, pursuant to the SEBI (LODR) Regulations, 2015 and the Secretarial Standard- II on General meetings issued by the ICSI has also been provided in the Notice.

Ms. Deepika Mahajan is interested in the resolution as set out at Item no 6 respectively, of the Notice of 39th AGM, which pertains to his reappointment. The respective relatives of Ms. Deepika Mahajan may be deemed to be interested in the resolution set out at Item no 6 respectively of the Notice of 39th AGM to the extent of her shareholding interest, if any, in the Company.

Save and except the above, none of the other 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 as set out in the accompanied Notice of 39th AGM for approval of the shareholders by way of Special Resolution.

ITEM NO 7: TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI SUDHAKARARAO PAPA (DIN: 10801670) DIRECTOR (ENTERPRISE), BSNL AS DIRECTOR (TECHNICAL) OF THE COMPANY

Shri Sudhakararao Papa, (DIN: 10801670), Director (Enterprise), BSNL was entrusted with the additional charge of the Post of Director (Technical) of MTNL w.e.f. 09.05.2025 (the date of assumption of charge of the post) vide Department of Telecommunications, Ministry of Communications, Government of India Letter No. E-2-2/2021-PSA dated 07.05.2025 for a period of one year w.e.f. the date of assumption of charge of the post, or until further orders, whichever is earlier. Shri Sudhakararao Papa assumed the office of Director (Technical) of MTNL w.e.f. 09.05.2025.

Section 152 (2) of the Companies Act 2013 stipulates that every Director shall be appointed by the Company in a general meeting. However, Section 161(1) of the Companies Act gives power to the Board of Directors to appoint an Additional Director who shall hold office upto the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Regulation 17(1C) of SEBI (LODR) Regulations, 2015 also stipulates that approval of shareholders for appointment or reappointment of a person on the Board is to be taken at the next general meetings.

The Company has received notice in writing under Section 160 of the Act from Shri Sudhakararao Papa proposing his candidature for the office of Director (Technical) of the Company. The Nomination and Remuneration Committee of the Board of Directors of your Company has also recommended the appointment of Shri Sudhakararao Papa as Director (Technical) of your Company pursuant to Section 160 of the Companies Act, 2013.

Brief resume of Shri Sudhakararao Papa, nature of his expertise in specific functional areas and name of other companies in which he holds directorships and memberships/chairmanships of Board level Committees and relationships between directors inter-se as stipulated under Listing Regulations is annexed to the Notice.

Shri Sudhakararao Papa does not hold any share in the Company in either his individual capacity or as beneficiary. Additional information of the director, pursuant to the SEBI (LODR) Regulations, 2015 and the Secretarial Standard- II on General meetings issued by the ICSI has also been provided in the Notice.

Shri Sudhakararao Papa is interested in the resolution as set out at Item no 7 respectively, of the Notice of 39th AGM, which pertains to his reappointment. The respective relatives of Shri Sudhakararao Papa may be deemed to be interested in the resolution set out at Item no 7

respectively of the 39th AGM Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other 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 as set out in the accompanied Notice of 39th AGM for approval of the shareholders by way of Ordinary Resolution.

ITEM NO 8: - TO CONSIDER AND APPROVE THE MODIFICATION IN THE RESOLUTION PASSED AT THE 36TH ANNUAL GENERAL MEETING WHILE RE-AFFIRMING THE BORROWING POWERS OF MTNL BOARD OF Rs 35,000 CRORE:

The Shareholders of the Company through a Special Resolution passed in the 36th AGM of the Company held on 10.10.2022 empowered the Board to borrow up-to an amount of Rs. 35,000 crore excluding the temporary/short term loans from the Company's Bankers in the ordinary course of Business.

The following points are now brought to the kind notice of the Shareholders of the Company.

1. MTNL has defaulted on its Bank Loan on 30.06.2024. Due to this, interest is not being serviced to the Banks. The overdue interest is getting being added thereby increasing the outstanding loan balance. Efforts to settle the bank debts have not yielded any result.

2. Similarly, MTNL is unable to fund the semi-annual interest payable to Sovereign Guarantee Bond (SGB) holders on its own since July 2024. MTNL has been availing Government of India (GoI) Loans from time to time to fund the Escrow Account. Till 31.07.2025, MTNL has availed Government of India (GoI) loans of Rs 1920.94 crore to pay the SGB interest. The annual interest liability on SGB is Rs 1829 crore.

3. Due to this outstanding term loans/debts will keep increasing till the asset monetization proceeds are received in substantial amount to meet both past and present liabilities.

4. In addition to the above, MTNL may also have to avail Inter Corporate Loan/Debt from BSNL to meet expenses. It is to mention here that the services of MTNL are gradually being taken over by BSNL since 01.04.2025. This is creating cash deficit as expenses remain with MTNL. As per the service agreement between BSNL and MTNL effective from 01.01.2025, BSNL will meet the deficit of MTNL through inter corporate loan/debt in order to maintain EBIDTA neutrality.

5. Section 180(1)(c) of the Companies Act 2013 requires a Special Resolution (a vote by shareholders) if the Company intends to borrow an amount that, when added to its existing borrowings, exceeds the sum of its paid-up share capital, free reserves, and securities premium, excluding temporary loans from the Company's Bankers in the ordinary course of business.

6. Presently the Government of India (GoI) loans are being covered under "any other sources" mentioned in the AGM minutes. However clear mention of the Government of India (GoI) loans and Intercorporate Loan/Debt are needed so as to bring more clarity and coverage.

7. MTNL's Borrowing except temporary loans/short term loans is expected to remain under Rs 35,000 crore till 31.12.2026.

Type	Outstanding Balance
Sovereign Guarantee Bond	24070.99
Long term Loan from Bank	2862.52
Total	**26933.51**
GoI Loans	1920.94
Total Outstanding debt	**28854.45**
Add: Expected GoI Loan	2649.27
Add: Expected ICD	1000.00
Add: LTL interest	527.58
Total	**33031.30**

8. The temporary/short term loan in the form of overdraft is Rs 5796.57 crore including overdue interest.

In view of the above, there is need to modify the resolution passed in the 36th AGM meeting held on 10.10.2022 on borrowing power of Rs 35000 crore with clear mentioning of Government of India (GOI) Loan and Inter Corporate Loan/Debt in the resolution.

Save and except the above, none of the other 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 as set out in the accompanied Notice of 39th AGM for approval of the Shareholders by way of Special Resolution.

ITEM NO 9: - TO CONSIDER AND APPROVE THE APPOINTMENT OF M/s R.P. SEHGAL & ASSOCIATES, PRACTICING COMPANY SECRETARIES AS SECRETARIAL AUDITOR OF THE COMPANY COMMENCING FROM FINANCIAL YEAR 2025-26 TILL FINANCIAL YEAR 2029-30

Pursuant to the provisions of Regulation 24A of the SEBI (LODR) Regulations, 2015 and provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company in its meetings held on 28.05.2025, have approved and recommended the appointment of

M/s R.P. Sehgal & Associates (FCS No. 1468, CP No. 14936, Peer Review No. 5495/2024), a Practicing Company Secretaries as the Secretarial Auditor of the Company to carry out the Secretarial Audit of the Company for a term of 5 consecutive years commencing from the FY 2025-26 till FY 2029-30 at a fees of Rs. 19,000/- per financial year (Rupees Nineteen Thousand only per financial year) exclusive of GST."

M/s R.P. Sehgal & Associates, which is a Peer Reviewed Firm and Practicing Company Secretaries registered with the Institute of Company Secretaries of India (ICSI), New Delhi and is an integrated service law firm focused on corporate laws. M/s R.P. Sehgal & Associates has immense knowledge and experience in dealing with matters relating to Company Law, Securities Law, inbound and outbound investment, Legal Due Diligence, Transaction documents, Joint Ventures, Foreign Collaborations, Technology Transfers, Mergers and Acquisitions, Listings and Capital Market Transactions. The partner, Shri R.P. Sehgal, have an experience of over 40 years in handling complex legal issues touching all most all aspects of Indian Corporate laws.

Shri R.P. Sehgal (FCS, LLB, CAIIB, M. Com, DLL) is a founder partner of the firm. He has distinguished exposure and more than four decades of experience in private equity, public offerings, preparation of business plans, and advising on valuations. Before forming the firm, he was associated with various Corporate in Delhi and Punjab. He retired from PSU as a Company Secretary cum Addl GM and started practice as Company Secretary in 2015 and liaisoning work with different government partners in the name and style of M/s R.P Sehgal and Associates.

Shri R.P Sehgal, Partner of M/s R.P. Sehgal & Associates, has given his consent to act as Secretarial Auditors of the Company and confirmed that his appointment, if approved would be within the prescribed limits and that he is not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act & Rules made thereunder and SEBI (LODR) Regulations, 2015.

Save and except the above, none of the other 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 as set out in the accompanied Notice of 39th AGM for approval of the shareholders by way of Ordinary Resolution.

ITEM NO 10: - TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2025-26.

The Board has approved the appointment of M/s R.M. Bansal & Co., Cost Accountant as the Cost Auditors of the Company based on the recommendation of the Audit Committee to conduct the audit of the Cost Records of the Company for the FY 2025-26 at a Total Fees of Rs.1,12,100/- (Fees Rs.80,000/- plus Rs.15,000/- out of pocket expenses plus GST @18% on the Gross Amount of Rs.95,000/-) at the same rates, terms & conditions for the FY 2024-25.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders of the Company.

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 Ordinary Resolution.

BY Order of the Board
For MAHANAGAR TELEPHONE NIGAM LIMITED

(RATAN MANI SUMIT)
COMPANY SECRETARY

Place: New Delhi
Date: 30.09.2025

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARD- II ON GENERAL MEETINGS.

Name of Director	A. Robert J. Ravi	Alok Shukla	Vishwas Pathak	Deepika Mahajan	Sudhakararao Papa
DIN	10095013	10849459	00093771	09408802	10801670
Date of Birth & Age	21/09/1969 (55 years)	24.12.1966 (58 years)	10.09.1965 (58 years)	04.04.1966 (58 years)	27.02.1970 (55 years)
Date of Appointment (Initial)	15.07.2024	30.01.2025	15.04.2025	15.04.2025	09.05.2025
Experience in Specific Functional area	Brief Profile Attached				
Qualification	B.Tech. in Electronics and Communications and MBA in International Relations	B.Sc. and B.Tech. (Electronics and Communications) from University of Allahabad	M.Com, LLB, FCS	M.A, LLB	B.E. in Electronics & Telecommunications, Post-Graduation in Public Policy & Management from the Indian Institute of Management (IIM), Bangalore and a course on Policy in International Comparative Perspective conducted by Maxwell School of Citizenship & Public Affairs, Syracuse University, USA
Nature of expertise in specific functional area	Telecommunications	Administrative, Management & Technical Field	Management, Legal	Legal	Telecommunications
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Being a Government Company, the Directors were identified and shortlisted by the Government of India as per order issued by the Department of Telecommunications, Ministry of Communications, Government of India.				

Name of Director	A. Robert J. Ravi	Alok Shukla	Vishwas Pathak	Deepika Mahajan	Sudhakararao Papa
Listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years.	MTNL Further, He has not resigned in any Listed Company in past three years.	MTNL Further, He has not resigned in any Listed Company in past three years.	MTNL Further, He has not resigned in any Listed Company in past three years.	MTNL Further, She has not resigned in any Listed Company in past three years.	MTNL Further, He has not resigned in any Listed Company in past three years
Chairman (C) / Member (M) of the Audit & Stakeholder Relationship Committee across all Public Companies	NIL	Chairman & Member - Stakeholder Relationship Committee	Chairman & Member – Audit Committee MTNL & Member - Stakeholder Relationship Committee	Member – Audit Committee MTNL & Member - Stakeholder Relationship Committee	NIL
No. of Shares held in MTNL (Self and as a Beneficial Owner)	NIL	NIL	NIL	NIL	NIL
Number of meetings of the Board attended since the date of Appointment	5/5	3/3 (Was appointed Govt. Nominee Director w.e.f. 30.01.2025)	2/2 (Was reappointed as Independent Director w.e.f. 15.04.2025)	2/2 (Was reappointed as Independent Director w.e.f. 15.04.2025)	2/2 (Was appointed as Director (Technical) w.e.f. 09.05.2025)
Disclosure of inter-se Relationship with other Directors or KMP of the Company	NIL	NIL	NIL	NIL	NIL
Sitting fee to be payable	No Sitting fees is payable.	No Sitting fees is payable.	Sitting fees is payable.	Sitting fees is payable.	No Sitting fees is payable.
Terms and Conditions of Appointment	As per the letter(s) issued by the Department of Telecommunications, Ministry of Communications, Government of India, for the appointment of respective individuals.				

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015.

1. Shri A. Robert J. Ravi, CMD

Name of the Service: Indian Telecom Service (ITS)

Post Held in Substantive Grade: SAG from 28.08.2017; NFU HAG from 03.11.2020

Academic Profile:

- B.Tech. in Electronic & Communications from Pondicherry University (1st Rank Holder (Gold Medalist/Outstanding)
- Master in Business Administration (MBA) in International Relations from Pondicherry University

Key Works and Publications:

I. Development of - Connecting Smart Districts

II. Research on Mobile coverage using Cell on Balloons and Cell on Wings using drones.

III. Other Research Projects

a. AI based Pilot project for Malaria eradication;

b. Project for Capturing the RF coverage across the country;

c. Project for mobile coverage of uncovered villages using balloon; and

d. Pilot project for emergency communications using drones.

IV. Lectured and had presented papers on Duct Layouts for Broad Band deployment in Metros at Chicago, USA.

V. On Broad Band deployment in Africa at Boston Digital, Boston, USA at BICCI, Dubai

VI. "Creating New telecom Scenarios" in LIBYA Telecom.

VII. Research on FTTH solutions for the developing countries. African continent for KIPCO Kuwait.

VIII. Research on Telecom Scenario in Lebanon and Syria for Bolyston Consulting Company USA.

IX. E-Strategy in Kuwait 'e-governance projects' for TRANSAT HOLDING USA.

X. Software development for Network management System for EWSD system for TELSTRA.

International/National Awards:

i. Excellence in work – Appreciation Award – from Republic of Uganda.

ii. Part of the DoT team that won the 'Best Emergency Response of the year' award 2020, Certificate of Achievement – CISO SUMMIT AWARDS INDIA;

iii. Outstanding performance Award – Awarded with "Vishisht Sanchar Seva Padak" Award in BSNL Tamil Nadu circle in recognition of the works in Marketing, Enterprise Business and Broadband Networks; and

iv. Appreciation – Designed and implemented the First FTTH network in the Middle East in TCIL.

International/National Level Scientific Paper Published:

i. Published a number of papers – "Communication systems using TCP/IP"; "Telephony from Space", Neural Networks", and AI for Fraud detection techniques in switches" and "Tetrahedral Shield".

ii. IEEE Convergance paper – "Regulatory issues in a converged era";

iii. All Indian Stack.

Patents:

i. Patent pending in emergency response for people tracking movement.

Experience:

i. FTTH Expert;

ii. Broadband Networks;

iii. E-Strategy and e-Governance;

iv. AI Platform development;

v. Projects related to Mobile, FTTH, OTN, digital switches, ICT, RF Coverage; COVID; Consumer base etc;

vi. Regulatory experience;

vii. Consultancy experience

viii. Policy development

ix. Project design and implementation;

x. Programme development;

xi. New technology switches and transmission systems; and

xii. Standardizations.

Key Achievement:

i. As Chief Technology Officer in Govt. of Tamil Nadu was instrumental in bring out the State's 'DIGITAL TRANSFORMATION' Policy.

ii. **As Dy. Director General (Tech), currently working on the following pilot projects:**

   a. AI based Pilot project for Malaria eradication;

   b. Project for Capturing the RF coverage across the country and development of the RF coverage portal for DoT;

   c. Project for mobile coverage of uncovered villages using balloons;

   d. Pilot project for emergency communications using drones; and

   e. Establishment of a consumer portal for The Telecom Analytics for Fraud management and Consumer Protection.

iii. As part of the Covid-19 mitigation, alongwith State Govt, designed and managing the portal for tracking the infected persons live and Tracking quarantined people and ensure they are within designated perimeter (Geo-fencing). Also presently working on an experimentation project for assessing population at risk in areas of Covid-19 outbreak; Monitor public spaced like market areas and identify whether any Covid-19 infected or quarantined person have visited the area; Retrace infected persons who have come in contact with infected persons; and Geo-fence quarantined locations to ensure no entry or exit of people.

iv. As Advisor to the Government of Uganda, launched the Digital Uganda Vision programme and the Broadband policy. Provided policies on ICT manufacturing policy; Spectral policy; Policy of postcode; infrastructure sharing; broadband; Universal Services Obligations; WiFi and Smart city. Was associated with the launch of 'OTT-TAX' at Uganda.

v. As Advisor, TRAI; was monitoring the performance of Telecom Service providers through various Quality of Service Regulations/Directions/Guidelines and to set the relevant parameters. Key achievements include: -

   a. Release of "Green Telecom Report" which was accepted by the government;

   b. Released key consumer centric regulations;

   c. Released the unsolicited commercial communications regulations and the associated portal;

   d. Released Regulations on Mobile Data Services;

   e. Brought out Study Paper on "EMF Radiation"; Telecom for Disability"; Consultation paper on Over the Top services and Technical paper on Call Drops;

   f. Commissioned an online analytical portal for Quality of service; for data speeds and portraying RF drive tests;

   g. Developed App for Unsolicited Commercial communications and for data speeds; and

   h. Brought out consultation paper on Cloud Computing.

vi. **As Additional GM, BSNL, Chennai/Pondicherry.**

a. Functioned as Consultant for a number of Business projects and proposals for BSNL clients;

b. Designed and developed the Integrated Communication Network for the Pondicherry University, a state of the Art integrated network for VoIP/SIP/OFC/WIFI etc.;

c. Designed and developed the Pondicherry State Wide Area Network an integrated WAN project for the State of Pondicherry;

d. Designed and commissioned the MPLS VPN networks for for various banks;

e. Designed and commissioned e-Examination project for ANNA University Tirunelveli.

f. Achieved the best circle award for Enterprise Business towards achieving the target.

VII. Was awarded with "Vishisht Sanchar Seva Padak"in Tamil Nadu circle in recognition of my works in Marketing, Enterprise Business and Broadband.

VIII. **As Chief Engineer, TCIL, Kuwait**

a. Was a Chief Consultant for TRANSAT Holding, USA in e-Gov projects in the Middle East – Kuwait.

b. Was a Consultant for "THE BROAD BAND PROJECT" IN KUWAIT. Work involves identifying the technology, cost economics calculations etc for the entire state of Kuwait. Preparing clear road map for Broad Band services deployment in Kuwait.

c. Was also the lead consultant for developing the e-strategy in Kuwait viz e-governance solutions for Kuwait;

d. Commissioned the first fibre to the Desk solutions in the Middle East (3500 users) for Public Institutions for social security in Kuwait;

e. Commissioned the first OTN (Open Transport Network) viz., Transportation of Voice, data, video over fibre on single AN for Kuwait National Petroleum Corporation (KNPC) and Joint Operations, Wafra apart from executing various fibre projects.

f. Was a team leader for design, development and implementation of Multimedia Communication Systems (an integrated telephony, data and video communication system adapted to the specific needs of ISPs, Telecos or other wide area IP service providers in the area of standards compliance, gatekeeper, reliability, charging, customer care and interoperability with circuit switched communication networks};

g. Executed fiber optic laying and termination project for KNPC, Joint Operations Wafra, Middle East Telecommunications Company, Kuwait;

h. Completed fiber projects for national bank of Kuwait which includes back bone ATM with storages.

i. Expansion of Siemens Switch and Expansion of Nokia Optical Line Multiplexers for Joint Operations Wafra; and

j. Designed and executed the first fiber to the home solutions in the Middle East, designed from paper till execution, culminating in the design of the first TCIL-FIBERNET solution;

ix. **As TCIL Project Engineer, Comoros Island**

a. Carried out installation and commissioning of OCB – 283 telecom exchanges along with Transmission media, OFC system at Moroni and OFC system as Comoros Island.

b. Works involved linking of two sites TO the main land on fiber/microwave, commissioning of 7Ghz and 2Ghz systems.

x. **As Deputy General Manager/Telecom District Manager DoT, Tamil Nadu Circle:**

a. Introduced the ISDN services for the first time in the Tamil Nadu Circle.

b. Developed the subscriber management software, a single window software which handled from the stage of issue of telephone applications and up to provision of demand note including on-line bill payments throughout the SSA.

c. Computerized billing was first of its kind introduced in a SSA during that time.

d. Developed and implemented External Plant Software tool.

e. Introduced the C7 link for increased traffic.

f. Designed an effective software tool for fault finding and localization in external network plant, fault reporting system and complete online automation of all client/ server database over the SSA.

xi **As Divisional Engineer (Installation), Tamil Nadu circle**

a. Installed and commissioned all new technology switches viz. AXE (Ericsson), EWSD (Siemens) and OCB (Alcatel) in Tamil Nadu circle. The first set of all new technology switches in the circle were commissioned by me.

b. Work involved commissioning of the switches with the associated software and centralized OMC software installed for the exchanges.

c. Was associated in the telecom software development for creation of various client specific blocks. Assisted in the final software development for the Network Management System (EWSD) along with TELSTRA for centralized control of exchanges in South India. Developed software for store management, auto creation of remote switching units, traffic monitoring tools for AXE and EWSD systems.

d. Editor of a bi-monthly technical journal "ACCESS POINT".

e. Developed the software "Creation of Exchanges" for auto creation of exchanges. (CHILL/PLEXVIEW, Xtalk).

f. Designed and developed 3 dB micro-strip attenuators for microwave systems.

g. Developed a GPIB controller (based on BASIC, COBOL) for automatic measuring and monitoring of systems through various meters.

2. Shri Alok Shukla, Government Nominee Director

Shri Alok Shukla, belongs to the Indian Telecom Service (ITS) of 1988 batch. Presently, he is working as Senior Deputy Director General (Personal) in Department of Telecommunications, Government of India, New Delhi. He did B.Sc. and B.Tech (Electronics and Communications) from University of Allahabad. He has vast experience of more than 21 years in Planning, Operation and Maintenance of Long-distance Telecommunication Network and has held senior positions in Department of Telecom (DoT) and Bharat Sanchar Nigam Limited (BSNL).He has also worked for more than a decade, holding various positions, in Unique Identification Authority of India (UIDAI).

3. Shri Vishwas Pathak, Independent Director

A corporate management professional with hands-on experience in private and public sector, serving on the boards of various corporates in verticals such as infrastructure, manufacturing, telecom, aviation, web & print media, power generation, transmission & distribution and banking.

Present Assignments:

- Independent Director & Chairman - Audit Committee of MSEB Holding, Mahagenco, Mahatransco and Mahadiscom (Aug 2022 - Present)
- Independent Director, Mahanagar Telephone Nigam Limited (2021-Present)
- Advocate, Bar Council of Maharashtra & Goa.
- Independent Corporate Management Professional running his own corporate management consultancy firm Zeromile Consultants Private Limited.

Past Experience:

- Headed business operations, capital markets, corporate affairs, legal, risk management, corporate governance, mergers & acquisition, demergers, company/asset valuation, FEMA and corporate laws functions in various corporates.
- Represented before various regulatory authorities in financial world.
- Addl. PS to the Hon'ble Minister of State for Railways, Coal & Mines (2021-2022).
- Independent Director & Chairman - Audit Committee of MSEB Holding, Mahagenco, Mahatransco and Mahadiscom (2015 - 2020)
- Managing Director of Bharati Web Private Limited, News Portal.
- Managing Director of Shri Narakesari Prakashan Ltd, a Daily Tarun Bharat.
- Managing Director of Sugar & Power Plant Company.
- Independent Director, GTL Infrastructure Limited, Passive Telecom Tower Company.
- Managing Director of Indamer Aviation Private Limited, MRO Company.
- Advisor to Nestler Limited, Industrial Boiler Manufacturing Company.

- Founder - Lexcorp Advisory Services Pvt Ltd, corporate advisory firm (2004 – 2009)
- Past Member of Disciplinary Committee of Bar Council of Maharashtra and Goa.
- Participated on the Boards of various listed and un-listed companies.

Personal:

- Born on 10th September 1965.
- M. Com., LLB., FCS (Fellow Member of the Institute of Company Secretaries of India)
- Written over 400 Articles on various subjects.
- Authored Book "Vishwasmat" and books on Energy Sector such as "Radiant Maharashtra", "Ujwal Maharashtra", Sanwaad Yatra", "Uday Ujwal Maharashtracha Uday Navin Bharatacha"

4. Ms. Deepika Mahajan, Independent Director

1	Name	Deepika Mahajan
2	Date of birth	04.04.1966
3	Residential Address	House No. 50, 2nd Extension Trikuta Nagar, Jammu. UT of Jammu & Kashmir
4	Official Address	High Court of Jammu & Kashmir and Ladakh at Jammu
5.	Chamber	Khullar Market near BJP Office Trikuta Nagar Jammu
6.	Education qualification	MA L.L.B
7.	Practising Experience at the bar	More Than Thirty Years standing at Bar, Practising at the BAR of the High Court & the courts subordinate to it. Practising both in Original & Appellate side in Constitutional, Civil, Criminal & claim cases
8.	Penal lawyer	Appointed as panel lawyer for J&K High Court Legal Services w.e.f. 16/1/2017 till date
9.	Panel Lawyer for High court	Appointed by High Court of J&K and Ladakh at Jammu for conducting cases /RTI cases for and against the High Court or Subordinate Courts before Hon'ble High Court at Jammu, vide order dated 10/11/2022
10.	Standing counsel	National Medical Commission w.e.f. 14 /02 /2017
11.	Appointed Arbitrator	Appointed Arbitrator by the HON'BLE the CHIEF JUSTICE of High Court J&K and Ladakh and conducting arbitrations
12.	Member of GSSHWC of High Court	The Gender Sensitization and Sexual Harassment of Women At Workplace Committee Constituted by The Hon'ble High Court of Jammu & Kashmir And Ladakh under the chairmanship of Hon'ble Judge of High Court

13.	Ex- Director of Bank	Remained director of The Citizens' Co-Cooperative Bank Ltd. Jammu w.e.f. 26th Aug. to 9th Dec. 2021
14.	Central Govt standing counsel	Appointed by the Hon'ble President of India as Central Govt. Standing counsel for defending the cases of Armed, Belt forces , Accountant General etc. filed before the Hon'ble High Court from 2000 to 2014
15.	Deputy Advocate General	Appointed on 17/03/2016, as Deputy Advocate General by the then His Excellency Governor during Governor Rule in Union Territory
16.	Reported judgements	Approximately more than 108 judgments published in different law journals
17.	Extra Curricular Activity	Recipient of President Award National Player of Badminton

5. Shri Sudhakararao Papa, Director (Technical)

Shri Sudhakararao Papa is the Director (Technical) in MTNL. He is an alumnus of Andhra University College of Engineering, Visakhapatnam holding a Bachelor of Engineering degree in Electronics & Telecommunications. His professional journey began in the Department of Telecommunications as an Assistant Divisional Engineer Telecom in February 1996, after qualifying for the Indian Engineering Services (IES) as an ITS in 1994. His professional enhancements include a Post-Graduation in Public Policy & Management from the Indian Institute of Management (IIM), Bangalore and a course on Policy in International Comparative Perspective conducted by Maxwell School of Citizenship & Public Affairs, Syracuse University, USA. With an extensive 28 years career, he has been dedicated to planning, developing and operating a diverse range of telecom networks, showcasing proficiency in the latest technologies. His professional portfolio includes over 20 years in Service Delivery, Customer Relationship Management, Operations, Team Management and Business Development across various verticals within BSNL. He has contributed to upgrading and managing various telecom networks including Basic, Wireless and Cellular services, overseeing 5.5 million working lines across BSNL, TN, J&K, AP, NE1 and TS Circles. He played a pivotal role in planning and executing various GSM Expansion Projects comprising over 5 million lines (2G/3G/4G) with a CAPEX of approximately 1500 Crs. He spearheaded the launch of 3G and 4G services in AP and TS Circles under Ph.VII & Ph.VIII.4 Projects. Noteworthy achievements include leading as the BA Head for over 10 years streaming telecom operations, achieving continuous positive sales growth and receiving the Best Business Area award in Enterprise Business CM and CFA segments. He submitted a thesis on Benchmarking of Cellular Mobile Telecom Services using the Cellular Customer Satisfaction Index (CCSI) Model. An implementation in the Indian Cellular Industry. Additionally, he presented papers on topics such as Corporate Governance issues in privatising state-owned telecom operations and Strategic Management of Organization (a case study of BSNL) as part of his Public Policy course. In recognition of his dedication and excellence, he received the **SANCHAR SEVA PADAK AWARD** in 2001-02.

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