

महानगर टेलीफोन निगम लिमिटेड

(भारत सरकार का उद्यम)

निगम कार्यालय

MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

CORPORATE OFFICE



MTNL/SECTT/SE/UNAA/2010

August 12, 2010

The Secretary, Stock Exchanges
Delhi/ Bombay/ Calcutta/Madras
National Stock Exchange/NYSE

Sub: Unaudited Reviewed Financial Results for the Quarter ended 30th June, 2010

Dear Sir,

As already informed you, a meeting of the Board of Directors of the Company was held today at New Delhi to consider the Un-audited Reviewed Financial Results for the quarter ended on 30th June, 2010. A copy of the approved unaudited reviewed financial results along with segment-wise reporting is enclosed for your kind information and record. The same is also being published in the Newspapers

Thanking you,

Yours faithfully,

(S. R. SAYAL)

COMPANY SECRETARY

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

Regd. Office : Jeevan Bharti Building, Tower-1, 12 th Floor, 124, Connaught Circus, New Delhi-110001

REVIEWED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 30/06/2010

S.No.	Particulars	(Rs. in million)		
		3 Months ended 30/06/2010	Corresponding 3 Months ended 30/06/2009 in the previous year	Previous accounting year ended 31/03/2010
		REVIEWED	REVIEWED	AUDITED
1	2	3	4	5
1	(a) Net Income from Operations	9,529.53	9,341.30	36,561.00
	(b) Other Operating Income	186.73	184.57	1,249.03
	Total Income	9,716.26	9,525.87	37,810.03
2	Expenditure			
	a1.Staff Cost other than retirement benefits	3,718.53	3,365.90	19,681.41
	a2.Staff Cost for retirement benefits (Actual payouts)	672.41	691.94	2,610.53
	a3.Staff Cost for retirement benefits (Provisions)	2,785.67	1,674.77	27,370.56
	b.Revenue Sharing	1,097.52	1,487.12	5,256.78
	c.Licence Fees & Spectrum Charges	844.07	1,020.57	4,105.72
	d.Admn./Operative Expenditure	2,005.37	1,926.17	8,134.74
	e.Depreciation & Amortisation	3,445.04	1,752.18	17,594.94
	f.Other Expenditure	-	-	-
	Total Expenditure	14,568.60	11,918.66	84,754.69
	Profit (Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)	(4,852.34)	(2,392.79)	(46,944.66)
3	Other Income	622.70	1,758.78	12,768.20
4	Profit (Loss) before Interest & Exceptional Items (3+4)	(4,229.64)	(634.01)	(34,176.46)
5	Interest	277.69	5.84	12.61
6	Profit (Loss) after Interest but before Exceptional Items (5-6)	(4,507.33)	(639.85)	(34,189.07)
7	Exceptional Items	-	-	-
8	Profit (+)/Loss(-) from ordinary activities before tax (7+8)	(4,507.33)	(639.85)	(34,189.07)
9	Tax expense			
	a. Provision for Current Tax	0.46	48.35	1.82
	b. Excess Provision of Income Tax written back	-	-	(4,879.71)
	c. Provision for Deferred Tax	-	(265.22)	(3,552.96)
10	Net Profit (+)/Loss(-) from ordinary activities after tax (9-10)	(4,507.78)	(422.97)	(25,758.22)
11	Extraordinary Items /Period period Adj. (net of tax)	6.57	0.08	351.50
12	Net Profit (+)/Loss(-) for the period (11-12)	(4,514.35)	(423.05)	(26,109.72)
13	Paid up equity share capital (Face value of Rs.10/-each.)	6,300.00	6,300.00	6,300.00
14	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year			111,714.10
15	Earning Per Share (EPS)			
	(a) Basic and Diluted EPS before Extraordinary Items for the period	(7.16)	(0.67)	(40.89)
	(b) Basic and Diluted EPS after Extraordinary Items for the period	(7.17)	(0.67)	(41.44)
16	Public Shareholding			
	a) Number of shares	275,627,260	275,627,260	275,627,260
	b) Percentage of shareholding	43.75%	43.75%	43.75%
17	Promoter and promoter group Shareholding			
	a) Pledged/Encumbered			
	- Number of shares	0	0	0
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%
	b) Non encumbered			
	- Number of shares	354,372,740	354,372,740	354,372,740
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	56.25%	56.25%	56.25%

Notes:

- The above results were reviewed and recommended for adoption by the Audit Committee in their meeting held on 12.08.2010 and approved by the Board of Directors of the Company at their meeting held on 12.08.2010. The Statutory Auditors have carried out a Limited Review of the financial results.
- Other income of Rs.622.70 million includes Rs.149.50 million on account of interest receivable on Income Tax Refunds as per the relevant ITAT orders dated: 11.03.2010 pending appeal effects.
- The above results have been finalised considering for retirement benefits, discounting factor @8.50% in accordance with yield of Central Government Securities, 4% increase in Dearness Relief of Pension, 3.50% on salary escalation and 0.50% on attrition rates which was already used for year 2009-10 as confirmed by the Actuary, based on revised wages and salaries and retirement benefits i.e. 20 years instead of 33 years for the purpose of full pension.
- One time charges on account of 3G spectrum and BWA liability of Rs.110979.70 million has been accounted for as Intangible assets as per AS-26 & amortized over 20/15 years respectively on straight line basis. Accordingly, amount of Rs.1576.15 million is amortized for the quarter ending 30.06.2010
- An amount of Rs.182 Crores is received by MTNL towards wet lease for Infrastructure to be provided by MTNL in respect of Commonwealth Games and out of this, Rs.60.67 crores is accounted for income proportionately in the first quarter. Final accounting will be done on completion of the project.
- Previous period/year figures have been regrouped/ rearranged wherever necessary.
- The status of investor complaints received and disposed off during this quarter ended on 30/06/2010 is as under:

Complaints pending at the beginning of the quarter	0
Complaints received during this quarter	6
Complaints disposed of during this quarter	6
Complaints lying unresolved at the end of the quarter	0

As per report of even date.

For Bansal Sinha & Co.
Chartered Accountants
FRN 06184N

For Goel Garg & Co.
Chartered Accountants
FRN 00397N

For and behalf of the Board
Sd/-
Kuldip Singh
Chairman & Managing Director

(Ravinder Khullar)
M. No. 082928

(Ajay Rastogi)
M. No. 084897

Place: New Delhi
Date: 12.08.2010

**REVIEWED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE THREE MONTHS ENDED ON
30/06/2010**

(Rs. in million)

S.No.	Particulars	3 Months ended 30/06/2010	Corresponding 3 Months ended 30/06/2009 in the previous year	Previous accounting year ended 31/03/2010
		REVIEWED	REVIEWED	AUDITED
1	2	3	4	5
1.	Segment Revenue			
	a. Basic Services	7,986.59	7,698.54	30,035.99
	b. Cellular	1,659.17	1,754.63	7,057.56
	c. Unallocated	-	-	-
	Total	9,645.76	9,453.18	37,093.55
	Less: Inter Segment Revenue	116.23	111.88	532.55
	Net Income From Operations	9,529.53	9,341.30	36,561.00
2.	Segment Results (Profit (+)/ Loss (-) before tax and interest from each segment)			
	a. Basic Services	(3,391.97)	(1,282.12)	(33,399.54)
	b. Cellular	69.97	179.43	347.38
	c. Unallocated	(907.64)	468.68	(1,124.30)
	Total	(4,229.64)	(634.01)	(34,176.46)
	Less: (i) Interest	277.69	5.84	12.61
	Less: (ii) Prior period Items	6.57	0.08	351.50
	Total Profit/ (Loss) before tax	(4,513.89)	(639.93)	(34,540.57)
	Less: (i) Provision for Tax for current year	0.46	(216.87)	(3,551.14)
	Less: (ii) Taxes for earlier period Written back/paid	-	-	(4,879.71)
	Profit/ (Loss) after tax	(4,514.35)	(423.06)	(26,109.72)
3.	Capital Employed (Segment Assets - Segment Liabilities)			
	a. Basic Services	1,750.76	32,679.20	42.87
	b. Cellular	10,709.89	7,578.09	10,425.13
	c. Unallocated	78,314.59	81,870.21	84,015.97
	Total	90,775.24	122,127.50	94,483.97

For and behalf of the Board

sd/-

Kuldip Singh
Chairman & Managing Director

Place: New Delhi
Date: 12.08.2010

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CORPORATE OFFICE

No.MTNL/SECTT/SE/2010

August 12, 2010

The Secretary, Stock Exchanges

Delhi/Mumbai/Calcutta/Madras/National Stock Exchange/NYSE

Sub: Approval of Annual Audited Accounts for the year 2009-10.

Pursuant to the provisions of the Listing Agreement, we write to inform you that a meeting of the Board of Directors of the company was held today for approval of the Annual Audited Accounts for the Financial Year 2009-10.

The information with respect to sub clause (b) of clause 20 is given below:-

The financial figures are as under:-

		(₹ in million) As at <u>31.3.2010</u>	(₹ in million) As at <u>31.3.2009</u>
1	Turnover	50578.23	52502.74
2	Gross Profit (PBT)	(34189.07)	2637.92
3	Net profit for the year	(26109.72)	2117.17
4	Provision for depreciation	17594.94	6988.47
5	Provision for Tax	1.82	2266.79
6	Amount appropriated from Reserves	2579.58	NIL
7	Capital profit	NIL	NIL

Thanking you,

Yours Faithfully

(S.R. SAYAL)

COMPANY SECRETARY