

महानगर टेलीफोन निगम लिमिटेड

(भारत सरकार का उद्यम)

निगम कार्यालय



MAHANAGAR TELEPHONE NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)
CORPORATE OFFICE

MTNL/SECTT/REVIEWED FINANCIAL RESULTS/10

May 13, 2010

The Secretary, Stock Exchanges
Bombay/Delhi/Calcutta/Madras/NSE/NYSE

SUB: Reviewed Financial Results for the quarter ended 31st March 2010

Dear Sir,

Pursuant to Clause 41 of the Listing Agreement, please find enclosed herewith Reviewed Financial Results for the quarter ended on 31/03/2010, which have been duly approved by the Board of Directors in its meeting held on 13th May, 2010.

Please take the same on record.

Thanking you,

Yours faithfully,


(S.R.SAYAL)
COMPANY SECRETARY

Encl : a/a

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 RESULTS FOR THE THREE MONTHS ENDED 31/03/2010

Annexure A

(Rs. in Million)

S.No.	Particulars	3 months ended 31/03/2010	Corresponding 3 months ended 31/03/2009 in the previous year	Year to date figures for Current period ended 31/03/2010	Year to Date figures for previous year ended 31/03/2009	Previous accounting year ended 31/03/2009
		REVIEWED	REVIEWED	REVIEWED	AUDITED	AUDITED
1	2	3	4	5	6	7
1	a. Net income from Operations	8,483.31	10,687.95	36,545.06	44,559.99	44,559.99
	b. Other Operating Income	518.96	363.39	1,159.08	1,200.31	1,200.31
	Total Income	9,002.27	11,051.35	37,704.15	45,760.30	45,760.30
2	Expenditure					
	a1. Staff Cost other than retirement benefits	11,291.15	4,390.37	21,367.81	14,393.66	14,393.66
	a2. Staff Cost for retirement benefits (Provisions)	15,786.01	2,377.51	29,341.09	6,880.28	6,880.28
	b. Revenue Sharing	869.37	2,056.34	5,226.90	7,525.73	7,525.73
	c. Licence Fee & Spectrum Charges	5,200.83	1,037.78	8,370.51	4,602.83	4,602.83
	d. Admn./Operative Expenditure	2,101.76	2,104.35	8,176.16	9,462.30	9,462.30
	e. Depreciation	1,937.76	1,902.93	7,265.28	6,968.47	6,968.47
	Total Expenditure	37,186.89	13,869.28	79,769.75	49,853.29	49,853.29
	Profit from Operations before Other income, Interest & Exceptional Items (1-2)	(28,184.62)	(2,817.93)	(42,065.60)	(4,092.99)	(4,092.99)
4	Other Income	7,200.44	2,388.63	11,350.27	6,742.44	6,742.44
5	Profit before Interest & Exceptional Items (3+4)	(20,984.18)	(429.31)	(30,715.33)	2,649.44	2,649.44
6	Interest	0.96	19.99	7.11	11.53	11.53
7	Profit after Interest but before Exceptional Items (5-6)	(20,985.14)	(449.30)	(30,722.44)	2,637.92	2,637.92
8	Exceptional Items	-	-	-	-	-
9	Profit (+)/Loss(-) from ordinary activities before tax	(20,985.14)	(449.30)	(30,722.44)	2,637.92	2,637.92
10	Tax expense					
	a. Provision for Current Tax	0.47	879.20	1.87	2,266.79	2,266.79
	b. Excess Provision of Income Tax written back	(4,983.51)	-	(4,983.51)	-	-
	c. Provision for Deferred Tax	(255.44)	(602.81)	(923.78)	(1,312.20)	(1,312.20)
11	Net Profit (+)/Loss(-) from ordinary activities after tax	(15,746.85)	(726.89)	(24,817.02)	1,683.33	1,683.33
12	Extraordinary Items /Period period Adj.(net of tax)	(9.06)	4.70	331.62	(433.84)	(433.84)
13	Net Profit (+)/Loss(-) for the period	(15,737.59)	(730.39)	(25,148.64)	2,117.17	2,117.17
14	Paid up equity share capital (Face value of Rs.10/-each.)	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					114,293.68
16	Earning Per Share (EPS)					
	(a) Basic and Diluted EPS before Extraordinary items for the period	(24.99)	(1.15)	(39.39)	2.67	2.67
	(b) Basic and Diluted EPS after Extraordinary items for the period	(24.98)	(1.18)	(39.92)	3.36	3.36
17	Public Shareholding					
	a) Number of shares	275,627,260	275,627,260	275,627,260	275,627,260	275,627,260
	b) Percentage of shareholding	43.75%	43.75%	43.75%	43.75%	43.75%
18	Promoter and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	0	0	0	0	0
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
	a) Non encumbered					
	- Number of shares	354,372,740	354,372,740	354,372,740	354,372,740	354,372,740
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	56.25%	56.25%	56.25%	56.25%	56.25%

Notes:

- The above results were reviewed and recommended for adoption by the Audit Committee in their meeting held on 12.05.2010 and approved by the Board of Directors of the Company at their meeting held on 13.05.2010. The Statutory Auditors have carried out a Limited Review of the financial results.
- Other income of Rs.7200.44 million includes Rs.6252.24 million on account of interest receivable on Income Tax refunds as per the relevant ITAT orders dated: 11.03.2010, pending appeal effects. The provision of Income Tax has been written back to the extent of Rs.4983.51 million for the same.
- The above results have been finalised considering the wage revision w.e.f. 01.01.2007 as per Board Resolution dated: 26.02.2010 estimated at Rs.7403.98 million pending actual payments which consists of Rs.4835.85 million for the period upto 31.03.2009 and Rs.2568.33 million for the current year.
- The above results have been finalised as per Actuarial Valuation for retirement benefit (1) for change in benefit of full pension for 20 years completed years of service instead of existing condition of 33 years of completed service w.e.f. 01.01.2008 vide order number MTNL/CO/Pers/6(17)/2009/194 dated: 06.01.2010, (2) wage revision w.e.f. 01.01.2007 with the assumption of 8.50% discount factor as on 31.03.2010, 3.50% on salary escalation post wage revision, 4.00% future increase in pension and 0.50% attrition rate as per calculations by Actuary. The cumulative impact of both the items at 1 & 2 on post wage revision consists of Rs.17540.28 million for the period upto 31.03.2009 and Rs.11800.82 million for the current year.
- In view of amendment to revised AS-15 on "Accounting for Retirement Benefits", the compensation paid to employees retired under Voluntary Retirement Scheme hitherto treated as deferred and written off for a period of 5 years, is now charged to profit and loss account fully in the year ended 31.03.2010. The financial implication of the same works out to Rs.228.80 million.
- Provision of Rs.4490.40 million for 3G spectrum has been made based on information upto 11.05.2010 available on DoT website w.r.t. ongoing 3G Auction results and for reserve price of BWA.
- Impact, if any, of any changes in the spectrum policy of the government, shall be reflected at the time of implementation.
- Previous period/year figures have been regrouped/ rearranged wherever necessary.
- The status of investor complaints received and disposed off during this quarter ended on 31/03/2010 is as under:
Complaints pending at the beginning of the quarter
Complaints received during this quarter
Complaints disposed off during this quarter
Complaints lying unresolved at the end of the quarter

For and behalf of the Board

Sd/-
Kuldip Singh

Chairman & Managing Director

As per report of even date
For Bansal Sinha & Co.
Chartered Accountants

For Goel Garg & Co.
Chartered Accountants

(Ravinder Khullar)
M. No. 082928

(Ajay Rastogi)
M. No. 084897

REVIEWED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE THREE MONTHS ENDED ON 31/03/2010

(Rs. in Million)						
S.NO	Particulars	3 months ended 31/03/2010	Corresponding 3 months ended 31/03/2009 in the previous year	Year to date figures for Current period ended 31/03/2010	Year to Date figures for previous year ended 31/03/2009	Previous accounting year ended 31/03/2009
		REVIEWED	REVIEWED	REVIEWED	AUDITED	AUDITED
1	2	3	4	5	6	7
1.	Segment Revenue					
	a. Basic Services	6,995.51	8,917.92	30,090.14	36,922.62	36,922.62
	b. Cellular	1,839.71	2,074.51	7,147.81	8,471.15	8,471.15
	c. Unallocated					
	Total	8,835.22	10,992.43	37,237.96	45,393.77	45,393.77
	Less: Inter Segment Revenue	351.91	304.47	692.90	833.78	833.78
	Net Income From Operations	8,483.31	10,687.95	36,545.06	44,559.99	44,559.99
2.	Segment Results (Profit (+)/ Loss (-) before tax and interest from each segment)					
	a. Basic Services	(4,669.01)	(746.07)	(15,456.84)	(1,578.18)	(1,578.18)
	b. Cellular	370.56	354.92	1,070.23	1,794.00	1,794.00
	c. Unallocated	(16,685.72)	(38.16)	(16,328.72)	2,433.63	2,433.63
	Total	(20,984.18)	(429.31)	(30,715.33)	2,649.45	2,649.45
	Less: (i) Interest	0.96	19.99	7.11	11.53	11.53
	Total Profit before tax	(20,985.14)	(449.30)	(30,722.44)	2,637.92	2,637.92
3.	Capital Employed (Segment Assets - Segment Liabilities)					
	a. Basic Services	18,936.08	37,366.93	18,936.08	35,826.82	35,826.82
	b. Cellular	10,297.15	6,579.33	10,297.15	7,160.33	7,160.33
	c. Unallocated	68,538.56	79,463.23	68,538.56	80,192.59	80,192.59
	Total	97,771.79	123,409.48	97,771.79	123,179.74	123,179.74

Notes:

1 Other Income is not reflected. The unallocated items to be further allocated in the annual results based on detailed analysis.

Place: New Delhi

Date :13.05.2010

