

## Mahanagar Telephone Nigam Limited

November 03, 2022

### Ratings

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

\*Details of instruments in Annexure-1

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

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

#### Unsupported ratings<sup>2</sup>

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

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

#### Detailed rationale and key rating drivers

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

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

#### Detailed rationale and key rating drivers for the credit enhanced debt

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

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

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

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

## Rating sensitivities

### **For credit enhanced debt – bonds/NCDs**

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

Not applicable

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

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

### **For bank loans and unsupported ratings**

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

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

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

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

## Detailed description of the key rating drivers

### **Key rating strengths**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Key rating weaknesses**

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

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

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

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

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

### Liquidity: Adequate

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

### Analytical approach

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

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

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

### Applicable criteria

[Policy on default recognition](#)

[Factoring linkages government support](#)

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

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

[Rating credit-enhanced debt](#)

[Rating outlook and credit watch](#)

[Short-term instruments](#)

[Mobile service provider](#)

### About the company

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

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

A: Audited; NM: Not meaningful.

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

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

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

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

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

#### Annexure-1: Details of instruments/facilities

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

#### Annexure-2: Rating history for the last three years

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



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

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

\*Long term/Short term.

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

Not applicable

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

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

### Annexure-5: Bank lender details for MTNL

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

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



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