

महानगर टेलीफोन निगम लि.

(भारत सरकार का उद्यम)

Mahanagar Telephone Nigam Ltd.

(A Government of India Enterprise)

CIN : L32101DL1986GOI023501



MTNL/SECTT/SEBI/2016

February 25, 2016

To
BSE/ NSE/OTCQX

Sub: Compliance of Regulation 30(5) of SEBI (LODR), 2015- Intimation regarding Policy for determining Materiality of an Event or Information

Dear Sir,

This is to inform you that the Board of Directors of MTNL in its meeting held on 12th February, 2016 has approved the Policy for determining Materiality of an Event or Information in pursuance to Regulation 30(4)(II) of SEBI(LODR),2015. A copy of the aforesaid policy is annexed herewith.

This is further informed that all Key Managerial Personnel of MTNL i.e CMD, Dir(Fin), Dir(HR&EB) and Company Secretary are jointly and severally authorized to determine Materiality of an Event or Information and for the purpose of making disclosure to Stock Exchange(s) under SEBI(LODR),2015.

Thanking You

Yours Faithfully,


(S.R. Sayal)

Company Secretary

Encl : A/A

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

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आप हमारे साथ दिल्ली में भी पत्राचार कर सकते हैं।

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

POLICY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

1. Objective

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. [SEBI (LODR) ,2015] the Board of Directors of MTNL has adopted this policy at its meeting held on 12th February, 2016 for determination of materiality of events (“**Material Information**”) so that such events/information can be promptly disclosed to the Stock Exchanges, as per the Regulations.

This Policy is effective from 1st December, 2015.

2. Policy

- A. The Key Managerial Personnel consisting of the Chairman & Managing Director, Director(Fin), Director(HR & EB/Tech) and the Company Secretary of the company, shall jointly and severally be the authority to determine the materiality of any information, classify it as a Material Information, decide the appropriate time at which disclosure is to be filed with the Stock exchanges and details that may be filed in the best interest of present and potential investors.
- B. Certain information would be *per se* Material Information as per the Regulations.
- C. Besides *per se* Material Information, an event/information, would be deemed as Material Information if it is likely to:
- have an impact of 5% or more on the gross turnover or revenues or total income or 20% of the net worth, whichever is lower, as per the last consolidated accounts of the Company; or
 - Increase/decrease the market price of the shares of the Company by 5% on the Stock Exchanges, based on preceding 52 weeks high/low.
- D. In some case, to ascertain materiality, thresholds as prescribed in clause 2.C of this policy, cannot be applied, the KMPs, in such cases, shall frame their opinion on a case basis, based on specific facts and circumstances relating to the information/event and while doing so, it may consider, among other factors, the following factors:
- Whether there would any direct or indirect impact on the reputation of the Company; or
 - Whether non-disclosure can lead to creation of false market in the securities of the Company; or
 - Whether there would be a significant impact on the operations or performance of the Company.



Provided that any confidential information which if disclosed is likely to put at risk the business interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the stock exchanges.

(An illustrative list of Material Information described in this policy is attached as Annexure.)

3. In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.

4. Disclosure of events or information

- Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.
- Events specified in Para A of Part A of Schedule III of SEBI(LODR), 2015 are deemed to be material events and listed entity shall make disclosure of such events.
- The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality of SEBI(LODR), 2015.

5. Criteria for determination of materiality of events/information

- The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly;
- The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- In case where the criteria of an event/information does not fall in the first two categories, but still in the opinion of the board of directors are considered material.

6. Website Updation/Updates to stock exchanges

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.



7. Disclosures of events/information on Subsidiaries

The Company shall disclose all events or information with respect to subsidiaries which are material for the company.

8. Authorization to KMPs to suomoto accept/ deny reported event or information

The Key Managerial Personnel (KMPs) are hereby jointly and severally authorized to suomoto accept/ deny any report event or information, which has been unauthorizedly made public by media or by any other means including but not limited to electronic means. They are further authorized to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company.

9. Compliance Officer

The Compliance Officer for the Purpose of Compliance with the provisions of the Regulations shall be the Company Secretary of the Company.

10. Policy Review

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

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Annexure

Indicative List of Events to be disclosed under the Regulations:

The following events should be disclosed immediately on occurrence. This is an inclusive list and shall act only as a guidance document.

A. Events which shall be disclosed without any application of the guidelines for materiality as soon as possible and not later than twenty four hours from the occurrence of event or information-

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation. - For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
 3. Revision in Rating(s).
 4. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s) / treaty (ies) /contract(s) with media companies) which are binding and not in normal course of business, revision(s) or Amendment (s) and termination(s) thereof.
 5. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 7. Appointment or discontinuation of share transfer agent.
 8. Corporate debt restructuring.
 9. One time settlement with a bank.
 10. Reference to BIFR and winding-up petition filed by any party / creditors.
 11. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
 12. Proceedings of Annual and extraordinary general meetings of the listed entity.
 13. Amendments to memorandum and articles of association of listed entity, in brief.
 14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

Note: If the Company is not in a position to inform the stock exchanges within 24 hours of the decision taken at the Board Meeting, then it shall inform the stock exchanges as soon as it is possible with an explanation as to reason for delay in disclosing the said information.



(1) - Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- b) any cancellation of dividend with reasons thereof;
- c) the decision on buyback of securities;
- d) the decision with respect to fund raising proposed to be undertaken
- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- g) short particulars of any other alterations of capital, including calls;
- h) financial results;
- i) decision on voluntary delisting by the listed entity from stock exchange(s).

B. Events which shall be disclosed upon application of the guidelines for materiality-

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C. Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the Board from time to time.

