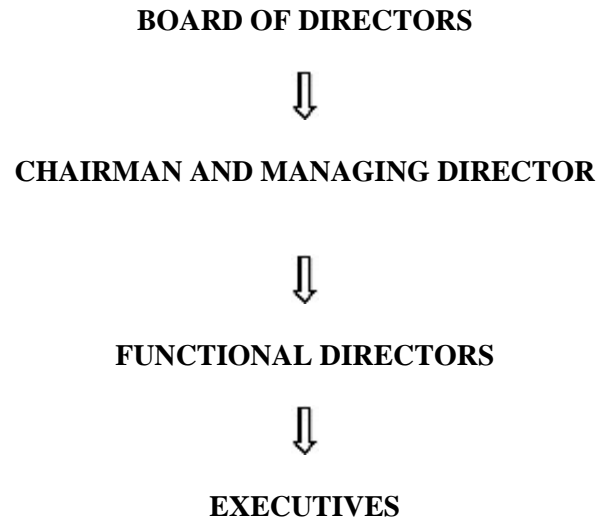


1.1 CHAPTER-III: PROCEDURES FOLLOWED IN THE DECISION-MAKING PROCESS, INCLUDING CHANNELS OF SUPERVISION AND ACCOUNTABILITY

The decisions making process of the Company follows the following Channel



Overall management of the Company is vested with the Board of Directors of the Company. The Board of Directors is the highest decision making body within the Company.

As per the provisions of the Companies Act, 1956 certain matters require the approval of the shareholders of the Company in General Meeting.

The Board of Directors is accountable to the shareholders of the Company, which is the ultimate authority of a Company. Mahanagar Telephone Nigam Limited being a Public Sector Enterprise (PSE), the Board of Directors of the Company is also accountable to Government of India.

The day-to-day management of the Company is entrusted with the Chairman cum Managing Director and the Functional Directors and Executives of the Company. For this purpose, the Board of Directors have delegated powers to the Chairman and Managing Director, Functional Directors, and the Executives of the Company through Delegation of Financial and Administrative Powers. The Board of Directors have also delegated few of its specific powers to a committee, known as Management Committee comprising of CMD and Functional Directors. Functional Directors and Executives exercise their decision-making powers as per this delegation of powers.

The Chairman cum Managing Director, Functional Directors and other Executives are accountable to Board of Directors for proper discharge of their duties & responsibilities. The powers, which are not delegated are exercised by the Board of Directors subject to the restrictions and provisions of the Companies Act, 1956 and the Articles of Association of the Company.