

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. INTRODUCTION

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) every Listed Company is required to formulate a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI) in order to adhere to each of the Principles set out in Schedule A to the Regulations, without diluting the provisions of Regulations. Accordingly, this Code seeks to ensure timely and adequate disclosure of UPSI to the Shareholders/Bondholders by the Company to enable them to take informed investment decisions with regard to the Company’s Securities.

2. DEFINITIONS

- 2.1. **“Board”** means Board of Directors of Mahanagar Telephone Nigam Limited (Company);
- 2.2. **“Code”** means Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, as applicable, including modifications made thereto from time- to-time;
- 2.3. **“Generally Available Information”** means information that is accessible to the Public on a non-discriminatory basis, such as information published on websites of Stock Exchanges.
- 2.4. **“Unpublished Price Sensitive Information” (“UPSI”)** means any information, relating to a Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:
 - financial results;
 - dividends;
 - change in capital structure;
 - mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
 - changes in key managerial personnel.
 - **Any other information which is likely to affect the price of the securities**

3. INTERPRETATION

- 3.1. The capitalized words not specifically defined in the Code shall have the same meaning as under the Companies Act, 2013 or the Regulations.
- 3.2. All the Provisions of the Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive

Information as contained in the Schedule A of the Regulations to the extent they are not contradictory with this Code shall be deemed to have been mutatis mutandis specifically incorporated in this Code.

- 3.3. The Provisions of this Code shall be read along with the Regulations and if there is any inconsistency / contradiction between the two, the Provisions of the Regulations shall prevail.
- 3.4. For interpretation of this Code, reference and reliance may be placed upon circulars/clarifications issued by Securities and Exchange Board of India and/or any other authority.

4. OVERSEEING AND CO-ORDINATING DISCLOSURE

- 4.1 A Chief Investor Relations Officer (CIRO) as may be designated by the Board of Directors shall be responsible to ensure timely and adequate disclosure of Unpublished Price Sensitive Information (UPSI) pursuant to this Code as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations"). The CIRO shall seek approval of the Chairman & Managing Director (CMD) before dissemination of such information.
- 4.2. The CIRO shall be responsible for overseeing and co-coordinating disclosure of UPSI to Stock Exchanges, Analysts, Shareholders and Media, and educating Employees on disclosure policies and procedures.
- 4.3 All disclosure/dissemination of any UPSI (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first approved by CMD and then send to the CIRO for disclosure/dissemination.
- 4.5 Should any dissemination of information on behalf of the Company take place without prior approval referred above, out of accidental omission, selectively, inadvertently or otherwise by any Employee/Director of the Company then such Employee/Director of the Company shall forthwith inform CIRO about such disclosure. The CIRO will then promptly disseminate the information so as to make such information generally available.
- 4.6. **The appointment of CIRO shall be made by CMD of MTNL who may consider appointing the compliance officer as CIRO as well under intimation to the Board of Directors.**

5. RESPONDING TO MARKET RUMOURS

- 5.1 The Employees of the Company **at managerial level not less than the level of Executive Director and the officers at the level of General Managers** particularly those dealing with the media and publicity management **through such Executive Directors** shall promptly direct any queries or requests for

verification of market rumour received from stock exchanges or from media or from any other source, to the officer designated as CIRO of the company .

5.2 The CIRO shall on receipt of requests as aforesaid, consult and take approval of CMD and respond to the same without any inadvertent delay.

5.3 The CIRO shall also be responsible for deciding in consultation with the CMD of the Company as to the necessity of a public announcement for verifying or denying rumour and thereafter making appropriate disclosures.

5.4 All the requests/queries received shall be documented and as far as practicable, the CIRO shall request for such queries/requests in writing. No disclosure & disposal of any such response / request in response to the queries/request shall be made unless the CMD approves the same.

6. DISCLOSURE/ DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS, INSTITUTIONAL INVESTORS

6.1 The Company shall ensure that any information shared with analysts and research personnel is not UPSI and is generally available and is shared with approval of Competent Authority. Alternatively, the information shared as above shall simultaneously be made public by filing necessary information memo with stock exchanges **if it is feasible and does not attract non disclosure requirements on account of secrecy or confidentiality or interest of investors or the company, in which event the onus of maintaining the information without disclosure or exposure rests with the analysts and research personnel through execution of non disclosure agreements .**

(ii) The CIRO shall also develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences and display on the official website to ensure official confirmation and documentation of disclosures made.

7. LEGITIMATE PURPOSE

The UPSI can be shared by an Insider for Legitimate purposes as per the "Policy for determination of Legitimate Purposes", provided that such sharing has not been carried out to evade or circumvent the prohibitions of the regulations.

7.1 POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

7.1.1. INTRODUCTION

This "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy" is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

7.1.2. OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for procuring/communicating/providing/allowing access to UPSI relating to the Company. The assessment of whether sharing of UPSI for a particular instance would tantamount to 'legitimate purpose' would depend on the specific facts and circumstances of each case. Accordingly, this Policy only sets out the broad principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is "legitimate" or not.

Primarily, the following factors should be considered to determine the legitimate purpose:

- (a) Whether sharing of such information is in the ordinary course of business of the Company;
- (b) whether information is sought to be shared does not evade or circumvent the prohibitions of the Regulations;
- (c) whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- (d) whether the information is required to be shared for enabling the Company to discharge its legal obligations;
- (e) whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient. It is clarified that in the event there exist multiple purposes for sharing UPSI, each purpose will be evaluated on its own merits, in line with the aforementioned principles.
- (f) whether the information sought to be shared is such that in the absence of it, the purpose for which it is sought cannot be fulfilled or matured and is highly essential **and can not be avoided or procrastinated till the public disclosure is made.**

7.1.3. DIGITAL DATABASE

A Structured Digital Database (SDD) shall be maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under the regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Irrespective of whether an UPSI is shared internally or externally, necessary recording should be made in SDD. The person sharing the Unpublished Price Sensitive Information is required to inform the Compliance Officer about such sharing of UPSI. For e.g.: while finalising Quarterly/Half-yearly/Annual financial results, one entry can be made for the persons in the Accounts Department at the start of the finalization process. Additionally, if UPSI is

shared with Auditors, then the details of the audit firm, the senior partner / any other officer(s) of such audit firm and other entities of audit firm with whom UPSI is shared, need to be recorded. The audit firm, in turn, must maintain SDD accordingly. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The Compliance officer of the Company shall have access to the SDD. The Compliance officer is authorized to determine who is to be given access to the SDD. Further, the Service provider of SDD shall also have access of the SDD for technical support.

7.1.4. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The Company shall inform the recipient of UPSI, by way of written intimation and/or contractual agreement, such as confidentiality agreement, that (i) the information being shared is UPSI and that the Company is the exclusive owner of such UPSI; (ii) upon receipt of UPSI, the recipient would be deemed to be an Insider and subject to the provisions of the Regulations, (iii) the recipient must maintain confidentiality of the UPSI at all times, (iv) the recipient may use the UPSI only for the approved purposes for which it was disclosed; (v) the recipient should not undertake trades in the securities of the Company while in possession of the UPSI; and (vi) the recipient must extend all cooperation to the Company, as may be required in this regard.

7.1.5. DEFINITIONS

7.1.5.1 "Legitimate Purposes" means sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of any of the regulations and also for any special and specific purposes duly notified or circulated:

- i. Company's Partners **if the company is a LLP and Board of Directors in case of other listed companies**
- ii. Auditors, Accountancy firms, Legal advisors, Merchant Bankers, Consultants **with reference to requirement arising out of statutory audits, Tax audit and other company law or SEBI regulations related actions /activities specified in para 2.4 above**
- iii. Collaborators , **if any**
- iv. Lenders **with reference to requirement arising out of loan agreements and other company law or SEBI regulations related actions /activities in connection with restructuring of capital or any scheme of arrangement or business transfer agreements etc.**
- v. Customers **for any specific authorized purpose under any of the codified procedures of the company**
- vi. Suppliers **with reference to agreements for supplies**
- vii. Any other advisors/consultants/partners **for any specific purpose wrt para 2.4**
- viii. Promoters represented by officers of Department of Telecommunications (DoT)
- ix. Any other government organization seeking UPSI for any **specific review provided under any of the laws of the land** or for any other governmental purposes or for Company purposes **in cases only without which the notified purpose can not be**

served.

x. Any person with whom UPSI is shared or any Person or organization who is in receipt of UPSI pursuant to a “legitimate purpose” shall be considered as an “insider” for purpose of the regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with the regulations, **besides seeking sharing of their details of PAN numbers or any other identifiers of such persons/organizations to control them from trading in the securities of MTNL**

8. MODIFICATION OR AMENDMENT OF CODE

8.1 The Board of Directors of the Company, **through CMD of MTNL**, subject to applicable laws, rules and regulations, may amend/ substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code.

8.2 In any circumstance where the terms of this Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Code.

8.3 The Board of Directors of the company authorizes the CMD of MTNL for all such acts required to be undertaken for compliance of the code and SEBI regulations.