

MINUTE BOOK

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MINUTES OF THE SIXTEENTH ANNUAL GENERAL MEETING OF TATA TELESERVICES (MAHARASHTRA) LIMITED HELD ON TUESDAY, AUGUST 16, 2011, AT 1500 HOURS AT KAMALNARAYAN BAJAJ HALL & ART GALLERY, BAJAJ BHAVAN, JAMNALAL BAJAJ MARG, 226, NARIMAN POINT, MUMBAI - 400 021

Directors Present:

Mr. Kishor A. Chaukar (Chairman)

Prof. Ashok Jhunjhunwala (Chairman, Audit Committee)

Mr. N. S. Ramachandran

Mr. D. T. Joseph

Mr. S. Ramadorai

Mr. Katsuhiko Yamagata

Mr. Narasimhan Srinath (Managing Director)

146 members were present either in person or by proxy.

The meeting commenced at 1500 hours.

Mr. Kishor A. Chaukar, Chairman, took the Chair.

The Chairman welcomed the members to the meeting.

Calling the meeting to order, the Chairman announced that the requisite quorum as per Article 43 of the Articles of Association of the Company was present.

The Chairman then announced that:

- a) The Company had received 21 (Twenty One) proxies from members representing 23,73,90,787 equity shares aggregating to 12.51% of the paid up capital of the Company.
- b) The Company had received 4 (Four) representations from Corporate Bodies under Section 187 of the Companies Act representing 124,46,64,393 equity shares aggregating to 65.61% the paid up capital of the Company.
- c) The Register of Directors' Shareholdings and Register of Proxies were available for inspection by the Members.

The Notice convening the meeting and the Annexure to the Auditors' Report was taken as read with the permission of the members present. The Auditors' Report was read by Mr. Madhav Joshi, Company Secretary.

The Chairman then delivered his opening remarks and interalia, mentioned the following:

- Introduction of the Directors of the Company attending the Meeting.
- Welcomed Mr. N. Srinath, who had been a Managing Director of Tata Communications Limited and director in TTSL for 9 years and who had been appointed as Managing Directorship of TTSL and the Company effective February 1, 2011. The synergy in operations of the Company and TTSL could be achieved more efficaciously as both the Companies had a common Managing Director.
- Company Performance in FY 2010-11 was encouraging with promising trends on most performance parameters including:
 - The successful launch of GSM services under Tata DOCOMO brand gave a significant boost to subscriber additions during the first full year working of GSM.

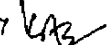
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<ul style="list-style-type: none"> - The Company had obtained 3G spectrum in Rest of Maharashtra (including Goa) Circle (RoM), where it was the first and fastest operator to launch 3G services in record time with a range of new services like video calling, Mobile TV, Music Downloads. - Tata Photon plus won many awards including product of the year 2011 for best innovation under the category Wireless Mobile Broadband Category. NDTV had rated Tata Photon as the Gadget for year 2010. It also received in June 2011, six outdoor advertising awards. - The Company's telecom revenues grew marginally to Rs.2,315 Crores for the financial year ended March 31, 2011 compared to Rs.2,277.81 Crores for the year ended March 31, 2010. - The Company reported positive EBITDA of Rs.312 Crores (excluding affect of sale of wholly owned subsidiary for Rs.835 Crores), compared to EBITDA of Rs.540.51 Crores for the previous year. Reduction in EBITDA was primarily due to increased costs associated with the expanded rollout of GSM services besides commencement of operations of 3G services. - The Company has laid over 2,175 kms of buried fibre across Mumbai and already connects over 20,000 buildings with broadband services. To expand it further at optimal cost, the Company has entered co-build agreement with other operators. - The Company did registered a Profit After Tax (PAT) of Rs.49.90 Crores for the year ended March 31, 2011 but it was mainly due to the profit on sale of long term investments in tower subsidiary. Moreover the new services like GSM & 3G were in initial phases of gestation. Due to accumulated losses of the Company, there could be no dividend. However, this was to be expected in long gestation projects of the kind the Company had embarked upon, and with continued good performance, this situation would change. • There were several significant initiatives during the year including following transformation initiatives: <ul style="list-style-type: none"> - Over recent quarters the Company had strengthened its position in mobility market growing both subscribers and revenues ahead of the market and built one of the best brands in telecom industry. - Continued innovation in CDMA product portfolio had enabled the Company to cement its leadership position in wireless data market. However, there was need to constantly adapt to remain competitive and continue winning in the evolving environment. - In continuation of efforts to align organization with future business needs, enable a unified 'go to market' and ensure that the Company derives advantages of being a multi platform company, the Company had identified and developed a set of transformation initiatives that cut across both the mobility and the enterprise business. - The Company decided to unify CDMA and GSM teams at circle and corporate level. It would be extended to other businesses and support functions. - The Company currently operated under a number of brands and it was exploring consolidation of brands so as to focus on fewer brands. - The above initiatives would lead to optimization of costs, assets and manpower. - Positive impact of these measures could be visible by the last quarter of the current financial year. • As on March 31, 2011, the Company's network expanded to 1,184 towns for CDMA voice & Photon whiz services and 898 towns for GSM services, spanning major state and national highways. • The Company had also entered into international bi-lateral agreements with more than 140 operators across different countries to offer seamless roaming facility to GSM subscribers. 		
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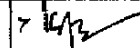
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- The Company had succeeded in winning the bid for 3G spectrum in RoM. Tata Teleservices Limited (TTSL) had won 3G spectrum in 8 circles in western belt of the country giving the Company and TTSL access to over 500 million people. The Company alongwith TTSL was exploring options to have roaming agreements with other successful bidders to cover entire geography.
- The Company did not pursue its bid for spectrum in Mumbai due to what it considered to be unreasonably high bids, however, it would address the market requirements through Photon+ high speed service, which was very popular and which recently had also been made available on select range of handsets.
- The Company had availed one year short term loans from the banks for the payment of 3G bid amounts which had been replaced with long terms External Commercial Borrowings (ECB).
- The Company's priorities included investing in the Company's brands and demonstrating continued innovation in products and services, delivering customized voice, data and value added service packages for different market segments, optimizing costs, enhancing margins, rationalizing man power and channel partners.
- The challenges before the Company included making the new businesses profitable, Average Revenue Per Users (ARPU) would continue be under continued pressure with use of multiple SIMs by subscribers, declining tariffs, increasing demands of security agencies for added features in network, stringent guidelines for customer acquisition and prohibitive penalties for non compliant subscribers and 2G spectrum in GSM beyond 4.4 Mhz.
- The Opportunities for the Company included:
 - 3G win which gave the Company access to the 3G spectrum for the next 20 years in Maharashtra (except Mumbai) with over 100 million people.
 - The Company would seek to capitalize on the emerging demand for data and third generation broadband services.
 - With the launch of GSM services, the Company had become one of the few integrated telecom service providers, and would be able to offer the full menu of telecom solutions, be it wireline, wireless, CDMA, GSM or broadband to all categories of customers, including high net worth individuals and Enterprises.
 - With a strong reputation already built for the network quality of its CDMA and wireline networks, the Company would seek to aggressively acquire new customers and churn dissatisfied customers of other Networks to its services.
- The Company's future looked encouraging and the Company was well placed to leverage its unique combination of assets to offer compelling value propositions in the telecom space.

The Chairman then requested Mr. N. Srinath, Managing Director to make a presentation to the members of the Company.

Mr. Srinath's presentation, inter-alia covered the following:

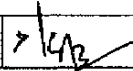
- Welcomed shareholders.
- There was realization about the long term viability and sustainability of the business amongst telecom operators which was also manifest in shifting of focus from subscriber additions to revenue growth.
- Key milestones in FY 2010-11 included:
 - The Company was first private operator to launch 3G service in RoM.
 - The Company divestment its investments in 21st Century Infra Tele Limited (tower subsidiary of the Company) for concentrating only on its core business activities i.e. telecommunication services.

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<ul style="list-style-type: none"> - The Company had built a strong subscriber position in Mumbai and RoM and in CDMA as well as GSM and would continue to further strengthen it. - In wireline, the Company continued to maintain leadership amongst the private operators. - The Company had invested for building infrastructure for both wireline and wireless segment to serve customers better across different customer segments. - The subscriber growth was consistent in both wireless and wireline segment and especially in broadband and high speed internet services. - The Revenue Market Share (RMS) was suppressed by prior period adjustments. - GSM Customer Market Share (CMS) partly compensated the decline in CDMA CMS in wireless market. - In wireline there was good growth in both RMS and CMS. - The Challenge for the Company was to find the right way both for sustaining the investments made in CDMA business and growth of GSM Business. • Build brand and focus on Innovation: <ul style="list-style-type: none"> - The Company had made a good progress to strengthen its brands and Tata DOCOMO was established as a premier brand for mobile business. The national campaign was launched with actor Ranbir Kapoor emphasizing on acceptability and identification by the people with the message being conveyed and feedback was very encouraging. - Value Added Services (VAS) continued to be an area of focus as future growth was expected out of VAS and data services. Share of VAS and data services in total revenue was around 30%. - The offerings of devices was extremely important particularly with increase in share of VAS and data services availment of which were dependent upon the devices used by the customer and the Company was working with different partners across the world so as to leverage their capabilities and improve its offerings to the customers. - The Company rationalized its True Value Hubs (TVHs) and True Value Shoppe (TVS) and would rationalize further to redesign and refit to enable them to provide much more value to the business. The Company also planned to launch new design stores. • Network Expansion: <ul style="list-style-type: none"> - The Company has grown the number of GSM and CDMA cell sites and optic fibre and the Company continued to make investment in focus areas. - The Company was uniquely placed with its GSM and CDMA offerings to cater to different voice and data requirements of customers across multiple geographies. • Focus on Cost Optimization included: <ul style="list-style-type: none"> - Voice termination cost reduction on National Long Distance (NLD) & International Long Distance (ILD) through better rates from the suppliers. - Lower handset subsidy cost due to shift to Open Market Handsets (OMH) and rationalization of channel sales commission. - Scaling down of PCO retention activity due to decline in PCO business. • Wireless business growth continued in terms of Minutes of Usages (MoUs). GSM MoUs compensated for losses in CDMA MoUs. Revenue per Minute (RPM) was showing early signs of increase. • Share price movement vis-à-vis Nifty. • PAT for the year was Rs. 50 Crores including profit from sale of investment in tower subsidiary and after providing for provision for contingencies and accelerated depreciation of certain network equipment. 		
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- The Company continued to win awards and recognitions from different forums for innovations, market communications and products.
- Initiatives in Q1 of FY12 included the shifting of focus from gross additions to revenue growth through quality customers and that had some positive impact resulting in an increase in EBITDA by 2%.
- The Business goals of the Company included:
 - Brand Building: Photon+ was a leader in data services. With new infrastructure and new capabilities, the Company would focus on right mix of customers and strengthen its brand story/brand building.
 - Customized Product: Identifying new customer needs and servicing them through focused wireline and wireless products.
 - Cost Optimization: Alignment with TTSL, controlling manpower and subscriber acquisition costs, unification of CDMA & GSM operations.
 - Network Improvement & Customer Service: Expanding GSM, High Speed Internet Access (HSIA) and 3G network coverage and quick resolution of customer complaints.

The Chairman thanked Mr. Srinath for comprehensive, informative and educative presentation. Chairman also acknowledged and put on record the contribution of Mr. Anil Sardana who had been Managing Director of the Company and also of TTSL for ensuring that the Company and TTSL worked towards better operational and functional integration with TTSL so as to take full advantage of operational synergies and to present a unified pan-India entity especially in reference to the common brands being used by both Companies and that the discerning enterprise customers across India see the services as seamless without any issue with regard to the Companies being legally distinct. It was also required for cost optimisation and resulted in cost effectiveness.

1. Adoption of Accounts

The Chairman proposed the following resolution as an Ordinary Resolution which was seconded by Mr. Shallesh Mahadevia.

"RESOLVED that the Company's audited Balance Sheet as at March 31, 2011, the audited Profit and Loss Account and the audited Cash Flow Statement for the financial year ended on that date together with Directors' and Auditors' Report thereon be and are hereby approved and adopted."

Before putting the Resolution to vote, the Chairman invited questions / suggestions from the members. Chairman requested the shareholders to restrict their comments / suggestions to 5 minutes and that if any shareholder had any issue in a capacity other than a shareholder it could be taken offline. Given below are the salient points made by the Members, who spoke at the meeting:


1. Mr. Tamal Kumar Majumdar

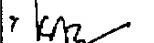
- Enquired about:
 - Impact on interest cost due to financing through ECBs.
 - Capex programme for current year.
 - Whether long term funding for CDMA, GSM & Wireline business had been completed.
 - Impact of Mobile Number Portability (MNP) on profitability.
 - Whether bad debts included any bad debt from any Tata company and what steps were taken against any officials who were responsible for huge bad debts.
 - Details of bad debts written off for FY2010-11.
 - Details of provisions for contingent liabilities and whether any amount was paid during the current year.

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<ul style="list-style-type: none"> - Due to integration with TTSL, was there any possibility of merger with TTSL or was there any reverse merger plan. - Time frame by which the Company would break-even. - Plan for further infusion of capital by the promoters. - Status of re-verification of mobile subscribers. - Rationale for selling tower subsidiary to fellow subsidiary. 		
<p>2. Mr. Adil Polad Irani</p>		
<ul style="list-style-type: none"> ▪ Expressed that he was proud to be a part of Tata extended family. ▪ Enquired about: <ul style="list-style-type: none"> - Whether the Bed sheets and bowls were sold by the Company and how was it accounted. - Whether there was awareness regarding the towns in which 3G and Photon+ services were available. ▪ Suggested that valued customer and not the volume customer should be the focus. ▪ Expressed concerns over: <ul style="list-style-type: none"> - False & fictitious activation done by some of the channel partners. - Wrong people being rewarded by the Company. ▪ Expressed concern over non acceptance of Tata bills, customer service and non availability of blank sim cards and Walky Instruments. ▪ Expressed hope that the Company's performance would improve under Mr. N. Srinath. 		
<p>3. Ms. Ashalata Maheshwari</p>		
<ul style="list-style-type: none"> ▪ Appreciated Company Secretary and his team for simple, informative and transparent annual report. ▪ Appreciated the Management, for the financial performance of the Company especially in difficult times. ▪ Congratulated the Management for fastest roll out of 3G and for Photon+ being voted as product of the year. ▪ Enquired about: <ul style="list-style-type: none"> - Time frame by which losses could be expected to be wiped out. - Further growth prospects of the Company. - Contribution of innovative products in the growth of the revenue and future growth of such products. - Capex target for organic & inorganic growth and the plans for raising of funds. - Impact of ECBs on interest cost. - Impact of Mobile Number Portability. <p>Expressed that the Company's performance would improve under leadership of Mr. N. Srinath.</p>		
<p>4. Mrs. Homayun Pouredehi</p>		
<ul style="list-style-type: none"> ▪ Welcomed Mr. Yamagata who had joined the Board. ▪ Enquired about: <ul style="list-style-type: none"> - Whether the Company was facing any issues in call centre operations. - The reasons for increase in Loans and Advances. - Logic for keeping the Company and Tata Teleservices Limited as distinct entities. - Amount paid to Mr. Ranbir Kapoor as brand ambassador. 		
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<p>7. Mr. H. V. Sanghavi</p> <ul style="list-style-type: none"> ▪ Welcomed Directors. ▪ Enquired about market share as compared to other operators. ▪ Did not intend to repeat the questions already raised by other shareholders. 		
<p>8. Mr. Shailesh Mahadevia</p> <ul style="list-style-type: none"> ▪ Appreciated the receipt of annual report well in advance and the exhaustive and transparent annual report. ▪ Expressed satisfaction with the efforts by the Management and the House of Tatas and hoped that the Company's performance would improve. ▪ Appreciated the ISO Certifications obtained by the Company and the Corporate Social Responsibility measures of the Company. ▪ Suggested that: <ul style="list-style-type: none"> - Total number of employees as on start of the year, total number of employees who joined and left the Company during the year and total number of employees as on last day of the year should be given to give an Idea of attrition rate. - Instances of investment made in technology becoming obsolete. - Data of active subscribers out of the total teledensity. - Formulae on payment made to BSNL for rural connectivity and benefits for extending services in rural area. - Brand valuation. <p>The Chairman thanked shareholders for their support, suggestions, compliments, meticulous and passionate observations and stated that the Company always looked into suggestions/observations in real earnest and that its impact gets seen in the channels as well as at market places. As regards some of the queries/suggestion of the speakers, the Chairman inter-alia mentioned as under:</p> <ul style="list-style-type: none"> • Requested the Company Secretary to send by email replies to queries by Mr. Tamal Kumar Mazumdar, who had left the meeting and stated that several of his queries were relevant and response to these would be useful and needed to be given in the interests of the Company and the shareholders. • Impact of External Commercial Borrowings (ECB) on interest cost would be positive even after hedging costs. • Impact of Mobile Number Portability was negligible. • There was no bad debt from any Tata company. • The provisions for contingent liabilities were made in respect of claims/litigation with Department of Telecommunications (DoT) and other parties especially BSNL. These matters included issues relating to the definition of AGR (Adjusted Gross Revenues) for the purpose of payment of licence fees and Access deficit charges payable to BSNL. Some payments were made to DoT/BSNL under protest. • Could not comment on merger either with TTSL, TCL or TCS as the shareholders and Board of Directors of each of these Companies were different and two of them were also listed. • The Company was not required to be registered as a sick company with the Board of Industrial Financial Reconstruction as the Company was an infrastructure company (which typically required heavy investment & long gestation period) and thus was outside its purview. • Managing towers had evolved as a separate business and had emerged as a utility requiring specialized Management and that the time was ripe for hive off. 		
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- Appreciated the passion with which Mr. Adil Irani expressed considerable things as a customer and as a Channel Partner and assured that to the extent his observations/remarks were valid would be looked into.
- Thanked Mrs. Asha Lata Maheshwari for her comments and her appreciation.
- Telecom growth was expected to flatten out.
- The Company did not have any control on share price as it was driven purely by market forces.
- Advised that email should be sent to proper address so that it could be responded.
- 2G scam matter was sub-judice and hence could not be commented upon and assured that the Company was not in any way connected/involved in such scam.
- The volume of calls handles by call centers was extremely high and with heavy concentration on particular timings of a day. A customer care executive generally handles around 120 calls per day out of which there could be 10 irate customers per day. It was a tough and new business, and there were considerable improvements which had taken place and it could take some time to improve further.
- Ranbir Kapoor was one of the highest paid actors amongst all brand ambassadors.
- Loans & Advances had gone up due to payments made to DoT for certain contingencies like revenue share on sale of long term investment and revenue share on bad debt write off.
- Mr. Amal Ganguli & Mr. Nadir Godrej could not attend the meeting as both of them were not well.
- As regards suggestion for launching of shops in malls, requested marketing team to look into this suggestion if it was feasible for implementation.
- Decrease in EBIDTA was because of the commencement of 3G business and rolling out larger coverage for GSM Services.
- Drop in subscriber growth was expected and henceforth the focus would be on revenue growth.
- The Company needed to earn profits and losses were required to be wiped out before any dividend could be declared.
- One third of RoM covered under 2G GSM services was also covered under 3G services.
- The Company had not done any brand valuation. The brand assessment & brand valuation could be done after the brand consolidation.
- Share split was not presently under consideration and could be considered at an appropriate time.
- Obsolescence was part of the telecom business and obsolescence could be even faster now.
- To remain competitive, the Company was required to keep pace with the developments going on in the telecom industry.

The Chairman requested Mr. N. Srinath, Managing Director to respond to some specific queries.

Mr. N. Srinath inter-alia mentioned the following:

- Planned Capex for the year was Rs. 500 Crores including 3G.
- Total employee headcount at the start of the year was 1,950, at the end of the year was 1,725 and the attrition rate was 20.20%.
- Total 2,535 towers were sold. Approximate payment for towers (including power and fuel expenses) was Rs. 100 Crores per annum.

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"RESOLVED THAT Mr. Narasimhan Srinath, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice pursuant to Section 257 of the Act, be and is hereby appointed a Director of the Company, liable to retire by rotation."

Thereafter, the resolution was put to vote. The Chairman declared that the resolution was passed with the requisite majority on show of hands.

7. Appointment of Mr. N. Srinath as Managing Director

The following ordinary resolution was proposed by Mr. H. V. Sanghavi and seconded by Mr. Shailesh Mahadevia.

"RESOLVED THAT consent of the Company be and is hereby accorded pursuant to the provisions of Sections 269 and 316 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") read with Schedule XIII to the Act, and any other applicable laws and regulations, to the appointment of Mr. Narasimhan Srinath ("the Appointee"), who is also Managing Director of Tata Teleservices Limited, as Managing Director of the Company for a period of 3 years w.e.f. February 1, 2011.

RESOLVED FURTHER THAT subject to superintendence, control and direction of the Board, the Appointee shall perform such duties and functions as may be commensurate with his position as Managing Director of the Company, and as may be delegated by the Board from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

Thereafter, the resolution was put to vote. The Chairman declared that the resolution was passed with the requisite majority on show of hands.

The Chairman thanked the members for attending and actively participating in the meeting.

The meeting ended with a vote of thanks to the Chair.

K. Srinath
09/09/2011
Chairman

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