



TATA TELESERVICES (MAHARASHTRA) LIMITED

Corporate Identification Number: L64200MH1995PLC086354

Registered Office: Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai – 400 033

Tel: 91 22 6667 1414 Fax: 91 22 6660 5335 Email: investor.relations@tatatel.co.in

Website: www.tatateleservices.com & www.tatadocomo.com

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of Tata Teleservices (Maharashtra) Limited ("the Company") will be held on **Thursday, September 25, 2014** at 1500 hours at "Rangaswar", 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended on March 31, 2014 and the Balance Sheet as at that date together with the reports of the Board of Directors and the Auditors thereon.
2. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the "Act") and other applicable provisions, if any, of the Act, Deloitte Haskins & Sells LLP, Chartered Accountants, having Registration No. 117366W/W-100018, the retiring auditors of the Company, be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors."

SPECIAL BUSINESS:

3. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT since Mr. Amal Ganguli (DIN: 00013808), a Director of the Company, who retires by rotation at this Annual General Meeting in accordance with Articles 71 and 72 of the Articles of Association of the Company and the provisions of the Companies Act, 2013 and does not seek re-appointment, the vacancy so caused on the Board of Directors of the Company be not filled up."

4. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the "Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Articles of Association of the Company and any other applicable rules and regulations, consent of the Members of the Company be and is hereby

accorded for the appointment of Mr. N. Srinath (DIN: 00058133) as Managing Director, who is also the Managing Director of Tata Teleservices Limited, for a period of 3 years with effect from February 1, 2014 on such terms and conditions as set out in the draft agreement to be entered into with Mr. N. Srinath and that no remuneration shall be payable to Mr. N. Srinath as Managing Director of the Company;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to take all the necessary steps as may be required in order to give effect to the aforesaid resolution."

5. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the "Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and the revised Clause 49 of the Listing Agreements to be effective from October 1, 2014 (hereinafter referred to as "Clause 49"), Prof. Ashok Jhunjhunwala (DIN: 00417944), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Clause 49 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 25, 2014 up to September 24, 2019."

6. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the "Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and the revised Clause 49 of the Listing Agreements to be effective from October 1, 2014 (hereinafter referred to as "Clause 49"), Mr. Nadir Godrej (DIN: 00066195), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Clause 49 and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company with effect from September 25, 2014 up to September 24, 2019."

7. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the "Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and the revised Clause 49 of the Listing Agreements to be effective from October 1, 2014 (hereinafter referred to as "Clause 49"), Mr. D. T. Joseph (having DIN: 01716572), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Clause 49 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 25, 2014 upto September 24, 2019."

8. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company at Seventeenth Annual General Meeting held on August 29, 2012 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the "Act"), consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which expression shall be deemed to include any Committee/s thereof), for borrowing any sum or sums of money, from time to time, from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate or financial institutions, whether in India or abroad and whether by way of cash credit, advance or deposits, loans, debentures or bill discounting and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licences and properties, whether immovable or movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertaking of the Company, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, so that the total amount upto which the monies may be borrowed by the Board and outstanding at any point of time shall not exceed a sum of Rs. 13000,00,00,000/- (Rupees Thirteen Thousand Crores only);

RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Act, consent of the Members of the Company be and is hereby accorded to the Board to mortgage and/or create charge in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or on the whole or any part of the undertaking(s) of the Company together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the lender(s), agent(s) and trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency), convertible / non-convertible

securities (including fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company and any other credit facilities upto the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses including any increase as a result of devaluation/ revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or other Agreements or any other document entered into/to be entered into between the Company and the lender(s)/investor(s)/agent(s) and/or trustee(s) in respect of the said loans/borrowings/debentures and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s), agent(s) and/or trustee(s);

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director or any other Officer(s) of the Company to give effect to this resolution."

9. To consider, review and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the "Act") read with the Companies (Audit and Auditors) Rules, 2014, payment of remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) plus out of pocket expenses not exceeding 10% of the remuneration to M/s. Sanjay Gupta & Associates, Cost Auditors, who are appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2015, be and is hereby ratified and approved;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to take all the necessary steps as may be required in order to give effect to the aforesaid resolution."

Registered Office

Voltas Premises,
T. B. Kadam Marg,
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Mumbai - 400 033.
CIN: L64200MH1995PLC086354
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www.tatadocomo.com
e-mail: investor.relations@tatatel.co.in
Tel: 91 22 6667 1414
Fax: 91 22 6660 5335

By order of the Board
For **Tata Teleservices**
(Maharashtra) Limited

Kiran Thacker
Company Secretary

Mumbai
August 19, 2014

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON POLL AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** An instrument appointing a proxy in order to be effective should be filled and deposited at the Registered Office of the Company not less than **48 hours** before the commencement of the meeting.
 2. A person appointed as proxy, can act as a proxy for not more than 50 members and holding in aggregate not more than 10% of the total paid up share capital of the Company. A member holding more than 10% of the paid up share capital of the Company may appoint a single person as proxy and such person appointed cannot act as proxy for any other member.
 3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business is annexed hereto and forms part of this Notice.
 4. The relevant details of Directors seeking appointment / re-appointment, as required by Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, are annexed herewith.
 5. The Register of Director's and Key Managerial Personnel and their Shareholding, Register of contracts with related party and contracts and Bodies in which directors are interested and Register of Proxies would be available for inspection by the Members at the meeting.
 6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 16, 2014 to Thursday, September 25, 2014 (both days inclusive).
 7. Bodies Corporate members are requested to send a certified copy of the board resolution authorising their representative/s to attend and vote at the meeting pursuant to provisions of Section 113 of the Companies Act, 2013.
 8. Under Section 205C of the Companies Act, 1956, the amount of application money received by the Company for allotment of any securities which are due for refund and remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had accordingly, transferred Rs. 156/- being the unpaid and unclaimed share application money received during Rights Issue in January 2007, to the IEPF.
 9. Members are entitled to hold their shares in dematerialized ("Demat") form. Those Members who are holding shares in physical form are requested to dematerialise their shares by approaching any of the Depository Participant/s. In case any Member wishes to dematerialise his/her/its shares and needs any assistance, he / she / it may write to the Registrar & Transfer Agent of the Company at csg-unit@tsrdarashaw.com and / or to the Investor Relations Officer of the Company at investor.relations@tatatel.co.in.
 10. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays between 11.00 a.m. to 5.00 p.m. up to the date of the Annual General Meeting.
 11. Electronic copy of the Annual Report is being sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report is being sent in the permitted mode.
 12. Electronic copy of the Notice of the Nineteenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the Nineteenth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 13. Members may note that the Notice of the Nineteenth Annual General Meeting of the Company and the Annual Report will also be available on the website of the Company www.tatateleservices.com. Physical copies of the aforesaid documents will also be available at the Registered Office of the Company on all working days except on Saturdays, Sundays and public holidays between 11:00 a.m. to 5:00 p.m.
- ### 14. Voting through Electronic Means:
- In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in this Notice.
- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depository Participant(s)):
 - i. Open the attached PDF file viz. **"TMML-eVoting.pdf"** giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said pdf file contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
 - ii. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
 - iii. Click on "Shareholder - Login".
 - iv. Put User ID and password as initial password noted in step (i) above and Click Login.
 - v. The Password Change Menu will appear on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Kindly take note of your new password for all future purposes. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.

- vii. Home page of “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
 - viii. Select e-voting EVENT Number (“EVEN”) of Tata Teleservices (Maharashtra) Limited.
 - ix. Now you are ready for “e-Voting” as “Cast Vote” page opens.
 - x. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
 - xi. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xii. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting@mehta-mehta.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories Participant(s) or requesting physical copy):
- i. Initial password is provided in the enclosed ballot form.
 - ii. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- C. Other Instructions:
- i. The e-voting period commences on Thursday, September 18, 2014 (9.00 a.m. IST) and ends on Saturday, September 20, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- Note: e-Voting shall not be allowed beyond said time.
- ii. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company.
 - iii. Ms. Dipti A. Mehta (Membership No. FCS 3667), Partner, M/s. Mehta & Mehta, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Notice) so as to reach the Scrutinizer not later than

Saturday, September 20, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor.relations@tatatel.co.in by mentioning their Folio / DP ID and Client ID No.

A Member can opt for only one mode of voting i.e., either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatateleservices.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Nineteenth AGM of the Company to be held on September 25, 2014. The same will also be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013

Item No. 3

Mr. Amal Ganguli is a Non-Executive Independent Director of the Company. He was appointed on the Board of Directors of the Company on March 24, 2009. Mr. Amal Ganguli is liable to retire by rotation at the forthcoming Annual General Meeting (“AGM”) under the provisions of the Companies Act, 2013 and Articles 71 and 72 of the Articles of Association of the Company. However, as he would be shortly completing the retirement age for Independent Directors as per the “Guidelines for Composition of the Board of Directors and Retirement Age of Directors” adopted by the Board, he has expressed his unwillingness to seek re-appointment. Accordingly, it is proposed not to fill up the vacancy caused due to retirement of Mr. Amal Ganguli at this AGM.

The Board recommends the resolution at Item No. 3 for approval by the members.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Amal Ganguli, are in any way concerned or interested in passing of the aforesaid resolution.

Item No. 4

The Board at its meeting held on January 30, 2014 re-appointed Mr. N. Srinath as Managing Director of the Company under the provisions of the Sections 198, 269, 309, 316 read with Schedule XIII of the Companies Act, 1956 for a period of 3 years with effect from February 1, 2014, subject to the approval of members at the General Meeting. Mr. N. Srinath is also the Managing Director of Tata Teleservices Limited and hence the re-appointment has been made by the Board of Directors also in accordance with the provisions of Section 316 of the Companies Act, 1956.

Mr. N. Srinath would not draw any remuneration from the Company as Managing Director.

Mr. N. Srinath aged 52 years, is a Mechanical Engineer from IIT (Chennai) and has a Management Degree from IIM (Kolkata), specialized in Marketing and Systems. Since joining the Tata Administrative Services in 1986, Mr. N. Srinath has held positions in Project Management, Sales & Marketing and

Management in different Tata companies over the last 27 years.

The draft agreement to be executed with Mr. N. Srinath would be available for inspection at the Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on all working days except, Saturdays, Sundays and public holidays upto the date of the AGM.

Mr. N. Srinath is also member of Stakeholders Relationship Committee, Finance Committee, Executive Committee, Securities Committee, Allotment Committee and Corporate Social Responsibility Committee of the Company. He does not hold any equity shares of the Company as on date.

The Board believes that the Company would be immensely benefited from the appointment of Mr. N. Srinath as Managing Director and therefore recommends the resolution at Item No. 4 for approval by the members.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. N. Srinath to the extent of his re-appointment, are in any way concerned or interested in passing of the aforesaid resolution.

Item No. 5

Prof. Ashok Jhunjhunwala is proposed to be appointed as an Independent Director pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act"), which has come into force with effect from April 1, 2014 and the revised Clause 49 of the Listing Agreements to be effective from October 1, 2014 ("Clause 49"). As per the said provision, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and shall not be liable to retire by rotation. Prof. Ashok Jhunjhunwala has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act and Clause 49.

The Nomination & Remuneration Committee has recommended appointment of Prof. Ashok Jhunjhunwala as an Independent Director for 5 years from the date of this AGM i.e., up to September 24, 2019.

Prof. Ashok Jhunjhunwala has pursued B. Tech. degree from IIT, Kanpur and has M.S. and Ph.D. degrees from the University of Maine. Presently Prof. Ashok Jhunjhunwala is a Professor in the Department of Electrical Engineering, Indian Institute of Technology, Chennai.

Prof. Ashok Jhunjhunwala leads the Telecommunications and Computer Networks group (TeNeT) at IIT Madras. This group is closely working with industry in the development of a number of Telecommunications and Computer Network Systems. TeNeT group has incubated a number of technology companies which work in partnership with TeNeT group to develop world class Telecom and Banking products for Rural Markets.

Prof. Ashok Jhunjhunwala possesses relevant experience and knowledge in the field of telecommunications and research. His research interest includes Telecommunications and Wireless Systems and Technologies for Rural Areas and he is also member of Prime Minister's Setup Scientific Advisory Committee.

Prof. Ashok Jhunjhunwala serves as Director in various companies and is a member/chairman of various committees as stated in the annexure attached to this Notice.

Presently, Prof. Ashok Jhunjhunwala serves as Non-Executive Director of the Company and is an Independent Director in terms of the Clause 49 of the Listing Agreements entered into with Stock Exchanges.

In the opinion of the Board, Prof. Ashok Jhunjhunwala fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Prof. Ashok Jhunjhunwala as Independent Director is now being placed before the members in the AGM for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on all working days except, Saturdays, Sundays and public holidays upto the date of the AGM.

The Board recommends the resolution at Item No. 5 for approval by the members.

None of the Directors or Key Managerial Personnel or their relatives, except Prof. Ashok Jhunjhunwala to the extent of his appointment, are in any way concerned or interested in passing of the aforesaid resolution.

Item No. 6

Mr. Nadir Godrej is proposed to be appointed as an Independent Director pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act"), which has come into force with effect from April 1, 2014 and the revised Clause 49 of the Listing Agreements to be effective from October 1, 2014 ("Clause 49"). As per the said provision, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and shall not be liable to retire by rotation. Mr. Nadir Godrej has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act and Clause 49.

The Nomination & Remuneration Committee has recommended appointment of Mr. Nadir Godrej as an Independent Director for 5 years from the date of this AGM i.e., up to September 24, 2019.

Mr. Nadir Godrej has completed his B.S. (Chem. Engg.) from Massachusetts Institute of Technology, USA, and M.S. (Chem. Engg.) from Stanford University, USA. He has done his M.B.A. at Harvard Business School in 1976 and was the George F. Baker Scholar.

Mr. Nadir Godrej possess relevant experience and knowledge in the field of research and has been very active in developing the animal feed, agricultural inputs and chemicals business and has several patents in the field of agricultural chemicals and surfactants.

Mr. Nadir Godrej is the Managing Director of Godrej Industries Ltd. and Chairman of Godrej Agrovet Ltd.

Mr. Nadir Godrej was the President of the Oil Technologists' Association of India, The Compound Livestock Feed Manufacturers' Association of India and Protein Food & Nutrition Development Association.

Mr. Nadir Godrej serves as Director in various companies and is a member/chairman of various committees as stated in the annexure attached to Notice.

Presently, Mr. Nadir Godrej serves as Non-Executive Director of the Company and is an Independent Director in terms of the Clause 49 of the Listing Agreements entered into with Stock Exchanges.

In the opinion of the Board, Mr. Nadir Godrej fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Nadir Godrej as Independent Director is now being placed before the members in the AGM for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on all working days except, Saturdays, Sundays and public holidays upto the date of the AGM.

The Board recommends the resolution at Item No. 6 for approval by the members.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Nadir Godrej to the extent of his appointment, are in any way concerned or interested in passing of the aforesaid resolution.

Item No. 7

Mr. D. T. Joseph is proposed to be appointed as an Independent Director pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act"), which has come into force with effect from April 1, 2014 and the revised Clause 49 of the Listing Agreements to be effective from October 1, 2014 ("Clause 49"). As per the said provision, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and shall not be liable to retire by rotation. Mr. D. T. Joseph has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act and Clause 49.

The Nomination & Remuneration Committee has recommended appointment of Mr. D. T. Joseph as an Independent Director for 5 years from the date of this AGM i.e., up to September 24, 2019.

Mr. D. T. Joseph has pursued his Masters degrees in English Literature and Economics from the University of Madras and University of Manchester, respectively.

Mr. D. T. Joseph was a former Indian Administrative Service (IAS) official belonging to the Maharashtra cadre. He has served the Government of India and the Government of Maharashtra in various capacities, including as Secretary, Public Health Department and Urban Development Department and in other departments. He was also elected as President at the International Maritime Organization Plenary Conference in February 2004.

Mr. D. T. Joseph serves as Director in various companies and is a member/chairman of various committees as stated in the annexure attached to Notice.

In the opinion of the Board, Mr. D. T. Joseph fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. D. T. Joseph as Independent Director is now being placed before the members in the AGM for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the

Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on all working days except, Saturdays, Sundays and public holidays upto the date of the AGM.

The Board recommends the resolution at Item No. 7 for approval by the members.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. D. T. Joseph to the extent of his appointment, are in any way concerned or interested in passing of the aforesaid resolution.

Item No. 8

Members of the Company at their Seventeenth Annual General Meeting held on August 29, 2012 had accorded their consent to the Board, by way of an ordinary resolution pursuant to Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 ("the Old Act"), for the following:

Sr. No.	Particulars	Limit
i.	To borrow money exceeding paid-up share capital and free reserves	Upto Rs. 13,000 Crores
ii.	Creation of security on the assets of the Company	Upto Rs. 13,000 Crores

Further, provisions of Sections 180(1)(c) and 180(1)(a) (notified on and effective from September 12, 2013) of the Companies Act, 2013 (the "Act") require approval of the members of the Company, by way of special resolution, to borrow money exceeding paid-up share capital and free reserves of the Company and to create security on the assets of the Company, respectively.

Ministry of Corporate Affairs ("MCA") vide its circular dated March 25, 2014 has clarified that the resolution passed under Section 293 of the Old Act prior to September 12, 2013 with reference to borrowings and/or creation of security on assets of the company shall be valid only for a period of 1 year from the date of notification of section 180 of the Act, i.e., it shall be valid till September 11, 2014 and thereafter, a fresh approval of the members of the Company, by way of special resolution, shall be required to create security on the assets of the company and/or to borrow money in excess of prescribed limits.

In view of the above, it is proposed to again obtain approval of the members of the Company, by way of special resolution, with respect to the following:

- To borrow money exceeding paid-up share capital and free reserves upto the limit of Rs. 13,000 Crores; and
- To create security on the assets of the Company upto the limit of Rs. 13,000 Crores.

The Board recommends the special resolution as stated at Item No. 8 for approval by the members.

None of the Directors, Key Managerial Personnel and/or their relatives are in any way concerned or interested in passing of the aforesaid resolution.

Item No. 9

The Audit Committee at its meeting held on May 15, 2014 had recommended and the Board at its meeting held on the said date had approved appointment of M/s. Sanjay Gupta & Associates as Cost Auditor of the Company for the financial year 2014-15 at a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) plus out of pocket expenses not exceeding 10% of

the remuneration incurred in connection with the said audit.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rules made thereunder, remuneration of Cost Auditor of the Company is required to be ratified and approved by the shareholders of the Company.

M/s. Sanjay Gupta & Associates have rich experience in telecom and have handled the Telecom Regulatory Authority of India ("TRAI") Billing & Metering Audit for the Company. M/s. Sanjay Gupta & Associates have certified that they are eligible for appointment as Cost Auditors, free from any disqualifications, and are working independently and maintain arms length relationship with the Company.

The Board recommends resolution at Item No. 9 for approval and ratification by the members.

None of the Directors, Key Managerial Personnel and/or their

relatives are in any way concerned or interested in passing of the aforesaid resolution.

Registered Office

Voltas Premises,
T. B. Kadam Marg,
Chinchpokli,
Mumbai - 400 033.
CIN: L64200MH1995PLC086354
Website: www.tatateleservices.com &
www.tatadocomo.com
e-mail: investor.relations@tatatel.co.in
Tel: 91 22 6667 1414
Fax: 91 22 6660 5335

Mumbai
August 19, 2014

By order of the Board
For **Tata Teleservices**
(Maharashtra) Limited

Kiran Thacker
Company Secretary

Important Communication to Members

Members holding shares in electronic mode are requested to update their e-mail address with their respective Depository Participant and for members holding shares in physical mode are requested to provide their email address to the Company at investor.relations@tatatel.co.in or to the Registrar and Share Transfer Agent at csg-unit@tsrdarashaw.com, so as to allow the Company to serve the documents in electronic mode.

Request to the Members

Members are requested to send their question(s), if any, to the Company Secretary / Chief Financial Officer at the Registered Office address of the Company or e-mail at investor.relations@tatatel.co.in in advance so that the answers/details can be kept ready at the Annual General Meeting.

**Details of Directors as on the date of this Notice seeking Appointment/Re-appointment
at the Annual General Meeting ("AGM")**

Particulars	Mr. N. Srinath	Prof. Ashok Jhunjunwala	Mr. Nadir Godrej	Mr. D. T. Joseph
Date of Birth	July 8, 1962	June 22, 1953	August 26, 1951	December 21, 1945
Date of Appointment	February 1, 2011 (last re-appointed by the shareholders at the AGM held on September 23, 2013)	April 12, 2007 (last re-appointment by shareholders at the AGM held on September 23, 2013)	March 12, 2008 (last re-appointment by shareholders at the AGM held on August 29, 2012)	May 8, 2009 (last re-appointment by shareholders at the AGM held on September 23, 2013)
Qualifications	Mechanical Engineering from IIT (Chennai) and a Management Degree from IIM (Kolkata)	B. Tech from IIT (Kanpur) & MS and Ph. D degrees from the University of Maine	B.S (Chem. Eng) from the Massachusetts of Technology, USA, M.S. (Chem. Eng) from Stanford University and MBA from Harvard Business School	Masters degrees in English Literature and Economics from the University of Madras and University of Manchester, respectively
Expertise in specific functional area	Rich experience in Telecom	Rich experience in Telecom	Rich Experience in FMCG Industry	Rich experience in Administration
Number of shares held in the Company (Including held by dependents)	Nil	8,426	Nil	Nil
Directorships held in other Public Companies [#]	<ul style="list-style-type: none"> • Tata Communications Ltd. • Tata Teleservices Ltd. • Tata Business Support Services Ltd. • Viom Networks Ltd. • Viom Infra Networks (Maharashtra) Ltd. 	<ul style="list-style-type: none"> • Polaris Software Lab Ltd. • Tejas Networks Ltd. • Sasken Communications Technologies Ltd. • 3i Infotech Ltd. • Tata Communications Ltd. • Exicom Tele-Systems Ltd. • Mahindra Reva Electrical P Ltd. 	<ul style="list-style-type: none"> • Godrej Industries Ltd. • Godrej Properties Ltd. • Godrej and Boyce Manufacturing Company Ltd. • Godrej Agrovet Ltd. • Mahindra and Mahindra Ltd. • Isprava Technologies Ltd. • Godrej Consumer Products Ltd. • Godrej Tyson Foods Ltd. • The Indian Hotels Company Ltd. 	<ul style="list-style-type: none"> • Adani Ports & Special Economic Zone Ltd. • Shreyas Shipping & Logistics Ltd. • Shreyas Relay Systems Ltd. • Ocean Sparkle Ltd.
Memberships / Chairmanships of Committees* of other Public Companies [#]	Audit Committee <ul style="list-style-type: none"> • Tata Business Support Services Ltd. 	Audit Committee <ul style="list-style-type: none"> • Sasken Communications Technologies Ltd. • Tejas Networks Ltd. • Polaris Software Lab Ltd. Investors' Grievance Committee <ul style="list-style-type: none"> • Polaris Software Lab Ltd. • 3i Infotech Ltd. 	Audit Committee <ul style="list-style-type: none"> • Mahindra and Mahindra Ltd. Investors' Grievance Committee <ul style="list-style-type: none"> • Godrej Consumer Products Ltd.** 	Audit Committee <ul style="list-style-type: none"> • Shreyas Shipping & Logistics Ltd. • Adani Ports & Special Economic Zone Ltd. • Shreyas Relay Systems Ltd. Investors' Grievance Committee <ul style="list-style-type: none"> • Adani Ports & Special Economic Zone Ltd.

[#] Public Companies excluding Foreign Companies and Section 25 Companies

* Includes only Audit Committee and Shareholders / Investors' Grievance Committee

** Chairmanship of the Committee



TATA TELESERVICES (MAHARASHTRA) LIMITED

Corporate Identification Number: L64200MH1995PLC086354

Registered Office: Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai – 400 033

Tel: 91 22 6667 1414 **Fax:** 91 22 6660 5335 **Email:** investor.relations@tatatel.co.in

Website: www.tatateleservices.com & www.tatadocomo.com

ATTENDANCE SLIP

Nineteenth Annual General Meeting on Thursday, September 25, 2014

Reg. Folio No. _____ DP ID * _____ Client ID * _____

Name _____

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at "Rangaswar", 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021 at 1500 hours on Thursday, September 25, 2014.

Member's/Proxy's name in Block Letters _____

Member's/Proxy's Signature _____

Note: Please fill in this slip and handover at the ENTRANCE TO THE AUDITORIUM.

*Applicable for shareholder(s) holding shares in electronic (dematerialized) form.



TATA TELESERVICES (MAHARASHTRA) LIMITED

Corporate Identification Number: L64200MH1995PLC086354

Registered Office: Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai – 400 033

Tel: 91 22 6667 1414 **Fax:** 91 22 6660 5335 **Email:** investor.relations@tatatel.co.in

Website: www.tatateleservices.com & www.tatadocomo.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) :

Registered address :

E-mail Id :

Folio No. /Client ID :

DP ID :

I/ We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name :

Address :

email-ID :

Signature :

or failing him/her

2. Name :

Address :

email-ID :

Signature :

or failing him/her

3. Name :

Address :

email-ID :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company, to be held on the September 25, 2014 at 1500 Hours, at "Rangaswar", 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Statement of Profit and Loss and the Balance Sheet for the year ended on March 31, 2014 together with the reports of the Board of Directors and the Auditors thereon.
2. Re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as Auditors of the Company and fixing their remuneration.
3. Retirement of Mr. Amal Ganguli by rotation, who does not seek re-appointment and the vacancy be not filled up.
4. Re-appointment of Mr. N. Srinath as Managing Director of the Company.
5. Appointment of Prof. Ashok Jhunjhunwala as an Independent Director.
6. Appointment of Mr. Nadir Godrej as an Independent Director.
7. Appointment of Mr. D. T. Joseph as an Independent Director.
8. Resolutions under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013.
9. Approval and ratification of payment of Remuneration to M/s. Sanjay Gupta & Associates, Cost Auditors.

Signed this _____ day of _____ 2014

Signature of Shareholder _____

Signature of Proxy holder (s) _____

Affix a
15 ps.
Revenue
Stamp

Note: This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



ANNUAL REPORT 2013-2014



TATA TELESERVICES (MAHARASHTRA) LIMITED



TATA TELESERVICES (MAHARASHTRA) LIMITED

Year on Year Performance

(Rs. in Crores)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Income from Telecommunication	2,649.43	2,608.16	2,470.25	2,248.74	2,069.10	1,941.68	1,707.19	1,406.98	1,095.13	807.47
Earnings Before Interest, Depreciation, Tax and Amortisation	614.30	500.63	548.83	1,146.77*	540.51	593.18	485.55	302.60	124.71	(66.12)
Profit/(Loss) before Extraordinary Items and Tax	(560.08)	(658.77)	(517.55)	49.91	(298.00)	(158.39)	(124.81)	(315.39)	(492.96)	(527.86)
Extraordinary Items	-	-	-	-	-	-	-	(5.48)	47.25	-
Profit/(Loss) after tax	(560.08)	(658.77)	(517.55)	49.90	(298.01)	(159.60)	(125.74)	(310.61)	(541.06)	(527.86)
End of Period Subscribers (Nos. in Thousands)	10,578	10,534	14,127	16,852	13,000	7,495	5,079	3,074	1,840	1,006

* Including Rs.834.93 Crores towards profit on sale of wholly owned tower subsidiary

BOARD OF DIRECTORS

Mr. Kishor A. Chaukar (*Chairman*)
 Mr. Amal Ganguli
 Mr. Nadir Godrej
 Prof. Ashok Jhunjhunwala
 Mr. D. T. Joseph
 Mr. N. S. Ramachandran (*upto March 24, 2014*)
 Mr. S. Ramadorai
 Mr. Koji Ono (*upto June 29, 2014*)
 Mr. Narasimhan Srinath (*Managing Director*)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kiran Thacker
 (w.e.f. June 1, 2014)

INVESTOR SERVICES

Mr. Hiten Koradia
 Manager – Investor Relations
 e-mail: investor.relations@tatatel.co.in

STATUTORY AUDITORS**M/s. Deloitte Haskins & Sells LLP**

Chartered Accountants
 Indiabulls Finance Centre, Tower 3,
 32nd Floor, Elphinstone Mills Compound,
 Senapati Bapat Marg, Elphinstone (W),
 Mumbai - 400 013.

REGISTRARS & SHARE TRANSFER AGENTS**TSR Darashaw Private Limited**

6-10, Haji Moosa Patrawala Industrial Estate,
 20, Dr. E. Moses Road,
 Near Famous Studio, Mahalaxmi,
 Mumbai – 400 011.
 Tel: 91 22 6656 8484
 Fax: 91 22 6656 8494 / 6656 8496
 Email: csg-unit@tsrdarashaw.com
 Website: www.tsrdarashaw.com

REGISTERED OFFICE

Voltas Premises, T. B. Kadam Marg,
 Chinchpokli, Mumbai – 400 033.
 Tel: 91 22 6667 1414
 Fax: 91 22 6660 5335
 e-mail: investor.relations@tatatel.co.in
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Nineteenth Annual General Meeting of Tata Teleservices (Maharashtra) Limited will be held on Thursday, September 25, 2014 at 1500 hours at "Rangswar, 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report on the Company's business and operations, together with the audited financial statements for the year ended March 31, 2014 and other accompanying reports, notes and certificates.

Company Overview

Tata Teleservices (Maharashtra) Limited holds two Unified Access (basic and cellular) Service Licenses ("UASL"), one for Mumbai Metro service area and the other for Maharashtra service area i.e., Rest of Maharashtra and Goa. The Company is an integrated player across:

- Technologies - Wireline, Code Division Multiple Access ("CDMA"), Global System for Mobile ("GSM") & 3G (Maharashtra service area);
- Products - Voice, Data & Other enterprise services (Connectivity and Managed services, Verticals based mobile applications and Cloud services); and
- Customer segments - Retail, Large Corporate and Small and Medium Enterprises.

The Company provides its range of products and services to about 10.6 Million (wireline + wireless) subscribers under the Tata DOCOMO brand. Its network consists of more than 15,000 Base Transceiver Stations and optical fibre transmission network of approx. 14,000 kms. in Mumbai & Maharashtra.

Financial Results

The financial highlights of the Company for the year ended March 31, 2014 are as follows:

(Rs. in Crores)

Particulars	2013 - 14	2012 - 13
Total Revenue	2,819	2,686
Expenditure	2,204	2,185
Earnings before Interest, Depreciation, Tax and Amortization ("EBITDA")	614	501
Finance & Treasury charges including foreign exchange impact	565	564
Depreciation / Amortization	609	595
Profit/(Loss) after tax	(560)	(659)

- The Company reported total revenue of Rs. 2,819 Crores compared to Rs. 2,686 Crores the previous year.
- During the year, your Company continued its focus on improving profitability which has helped to achieve 23% growth in EBITDA at Rs. 614 Crores as against Rs. 501 Crores the previous year.
- The accumulated losses of the Company at the end of the financial year have exceeded its paid-up equity capital and reserves. However, the Company has been consistently making cash profits over the past few years.

New Products and Initiatives

The next wave of growth in the telecom sector is expected to be driven by an exponential increase in data traffic volumes. Data market in the Indian Telecom Industry has seen an unprecedented growth in the last one year. With data being a

new offering, the products are still not standardized thus offering a significant room for innovation. Product development initiatives by the Company have been largely focused to cater to the data market which is expected to help the Company to ride upon the upcoming wave of growth in data volumes.

- During the year, the Company almost doubled its 3G subscriber base in Maharashtra, with a twin strategy of augmented data network along with innovative product launches.
- 'Photon' has been a flagship product for the Tata DOCOMO brand, offering Internet on-the-move. To maintain its leadership and keep pace with the evolving consumer preferences, the Company launched an innovative offering in the High Speed Internet Access ("HSIA") space - 'Tata DOCOMO Photon Wi-Fi'. This could possibly change the way people access the internet, simultaneously taking care of three consumer needs - usage of internet on multiple devices, rising need for internet 'on-the-move' and increasingly ubiquitous Wi-Fi usage. The initial response of the customers has been very encouraging and Photon Wi-Fi portfolio has been awarded the 'Product of the year 2014'.
- With increasing variety of content, advent of high definition online videos and consumer's need for superior quality of service, the demand for bandwidth at homes is growing. From less than 2 Mbps a year ago, consumers are today increasingly demanding speeds in excess of 10 Mbps and above, with consistent throughput. The Company pioneered Fiber to the Home ("FTTH") services that can deliver super high speeds up to 100 Mbps to home internet users. Fibre broadband enables customers to enjoy services like HDTV, video-on-demand, bandwidth on demand, video conferencing, interactive gaming, etc. using multi-devices like tablets, laptops and connected TVs. The Company is rolling out the FTTH service across Mumbai and Maharashtra, and the consumers can look forward to be a part of the digital revolution with this high speed connectivity.
- The Company has also launched public Wi-Fi hotspots business under the Tata DOCOMO brand and has already rolled out more than 250 hotspots during 2013-14. These include cafes, malls, airports and other public places where access to high speed internet is becoming increasingly important.
- Given the rapid increase in the penetration of smartphones in the country on advent of affordable handsets, Mobile Applications are increasingly becoming a part of business models across industries such as market research, consumer goods and Banking, Financial Services and Insurance. The Company's Cloud based Mobility applications in the area of Workforce Tracking and Data Collection applications have demonstrated remarkable results in productivity enhancement and streamlining of the field force operations for its enterprise customers. The enterprise segment for the Company also saw large new orders from large clients.
- The Company in partnership with Tata Consultancy Services Limited and Mumbai based research centre - Central Marine Fisheries Research Institute, launched and piloted - mKrishi in Ratangiri district of Maharashtra. mKrishi offers Potential Fishing Zones and other Wind

Advisory services to fishermen. This application will redefine the fisheries business, as fishermen will be empowered with useful information at sea to help them improve yield, save fuel cost and ensure safety.

Branding and Customer Service

Building on the positive momentum on the Tata DOCOMO brand, this year saw the launch of a new core brand thought of "Open Up". The theme was focused on conversations - the core need from telecom, hence building the brand in an area which can then be leveraged both in a relevant emotional space as well as to communicate the value proposition.

The Company's Small and Medium Enterprises' ("SME") business division pioneered the 'Do Big' Symposium. In a series of events across India, the Company showcased to SMEs how the right business architecture supported by the right technology solutions can accelerate growth and help unleash their full potential. These events also had panel discussions with distinguished members from the industry participating in a free-wheeling discussion on the challenges of the SME sector and the ways to foster growth.

In line with the Quality of Service Performance Indicators recommended by Telecom Regulatory Authority of India ("TRAI"), the Company is committed to providing a congestion free network for both Voice and Data customers of the Company. There is a constant focus on improving Network Quality and Coverage through augmentation and innovative network planning techniques for optimal performance of the available spectrum for both Voice and Data services.

On the customer service front the prime focus for the year was on:

- 'Easy to navigate' customer care Interactive Voice Response with direct access to the customer care executives; and
- Segmented service differentiation - One size fits all approach is not suitable for customer service which is increasingly becoming an important criterion for consumers. The Company is attempting to use data analytics to segment customers not only for targeted product offerings but also for customized customer service.

During the year, the Enterprise Business of the Company further improved its Customer Satisfaction Scores from last year and continued to hold the 2nd position in the industry.

Corporate Sustainability

The contribution of the Tata group towards nation building has been far-reaching. The Company is a responsible corporate citizen, and strives to give back to the community it operates in. The main objective behind the Corporate Sustainability ("CS") initiatives of the Company is to use telecom to impact the life of the underprivileged sections of society. It has identified and implemented many CS initiatives and Corporate Social Responsibility ("CSR") during the year under review. The details are given separately in the Annual Report.

During the year under review, CSR Committee of the Board of Directors was also constituted consisting of three directors under the provisions of the Companies Act, 2013.

Safety

The Company has a well defined and practiced Employee

Safety & Well-being Policy in place. The Company's Safety Policy comprises guidelines and standardized exercises based on robust processes. It advocates proactively improving our management systems to minimize health & safety hazards, ensuring compliance in all operational activities.

To minimize and mitigate related risks, the Company has taken up various safety related initiatives including safety trainings for all employees; mock fire drills (Day / Night) every six months and percolation of Safety Guidelines and Knowledge Management on health and safety through mailers and videos (Do's & Don'ts during emergency, Road Safety, articles related to Health, Safety during Fire, Flood and Earthquake etc.). These are a part of the Company's transformation journey based on the four pillars - Excellence on Awareness & Employee Communication, Risk Assessment through Audit Mechanism, Corrective & Preventive Actions ("CAPA"), and Benchmarking & Best Practice sharing within and outside the group companies.

Some of the key initiatives undertaken in 2013-14 to make the work place safe for employees included Project Suraksha (Physical safety audit), Project Secure Circuit (Electrical Fire safety audit) Suraksha++ (Guest House Safety audit), DRP (Disaster Recovery Plan for Critical Equipments), Project HIRA (Hazard Identification & Risk Assessment) Project Dronacharya, First Aid Training Programs (learning/awareness initiative), Safety Council meetings, Safety Assessment Drives & Mock Drills and Webcasts with Safety Head & Chief Safety Officer from employee awareness perspective.

The Company has continuously endeavoured towards improving gender diversity and creating a safe, just and fair workplace for its employees.

The Prevention and Redressal of Sexual Harassment Policy of the Company is in line with the Tata Code of Conduct. The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's offices, and take appropriate decision in resolving such issues. During the Financial Year 2013-14, no complaint on sexual harassment was received.

The Company conducted sensitization programme for its employees on Electromagnetic Frequency ("EMF") radiations and also presented Technical papers on EMF at Institute of Electrical and Electronics Engineers Conference with the objective of reaching out to larger stakeholders on the facts about EMF radiations and also share Company's initiatives towards Safety. The Company has always maintained transparency with all stakeholders and it responds to all queries pertaining to EMF radiations.

Management Discussion & Analysis Report

A detailed report on Management Discussion & Analysis for the year under review is presented in a separate section, forming part of the Annual Report.

Directors

Mr. N. S. Ramachandran, Non-Executive Independent Director of the Company, retired from the Board of the Company with effect from March 25, 2014 on attaining the age of 75 years. The Board wishes to place on record its appreciation for his contribution to the Board during his tenure.

In accordance with the provisions of the Companies Act, 2013

read with Article 71 and 72 of the Articles of Association of the Company, Mr. Amal Ganguli retires by rotation at the ensuing Annual General Meeting of the Company and does not seek re-election. Further, the vacancy to be caused by retirement of Mr. Amal Ganguli is not proposed to be filled.

Company Secretary and Chief Financial Officer

The Board of Directors at its meeting held on May 15, 2014 has appointed Mr. Kiran Thacker as Company Secretary and Compliance Officer of the Company with effect from June 1, 2014 in place of Mr. Bhaskar Chandran.

Further, at the same meeting Mr. Suresh Mahadevan has been appointed as Chief Financial Officer of the Company with effect from June 1, 2014 in place of Mr. S. G. Murali.

Holding Company

Tata Sons Limited became the Holding Company of your Company with effect from January 7, 2014.

Dividend & Appropriations

In view of the accumulated losses, the Directors regret their inability to recommend any dividend for the year under consideration. No appropriations are proposed to be made for the year under consideration.

Minimum Public Shareholding ("MPS")

In order to comply with the MPS threshold (i.e., 25% of the aggregate paid up equity share capital of the Company to be held by the 'public' category of shareholders), the Company issued bonus equity shares to 'public' shareholders during the year. The Company issued bonus equity shares in the ratio of 2 new equity shares for every 15 existing equity shares held by 'public' shareholders as on the record date i.e., August 8, 2013, as approved at an Extra Ordinary General Meeting of the Company held on July 29, 2013. The issue of bonus equity shares resulted in the 'public' shareholding in the Company increasing to 25.10%, which is in compliance with the Securities Contracts (Regulation) (Amendment) Rules, 2010.

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants, the present statutory auditors, retire at the conclusion of the ensuing Annual General Meeting ("AGM") and have confirmed their willingness and eligibility for re-appointment. The Audit Committee and the Board recommend their re-appointment from the conclusion of the ensuing AGM till the conclusion of the next AGM.

Cost Auditors

The Board of Directors of your Company had upon recommendation of the Audit Committee appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2013-14.

The due date for filing the Cost Audit Report for the financial year 2013-14 is September 27, 2014 or such other date as may be notified by the Cost Audit Branch, Ministry of Corporate Affairs.

Internal Auditors

The Board has appointed Axis Risk Consulting Private Limited, ANB Consulting Co. Private Limited and Grant Thornton Consulting Private Limited as Internal Auditors for handling internal audit.

Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 ("the Act") and the Rules made thereunder.

Particulars of Employees

The particulars of employees as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011 form part of this report.

However, in pursuance of Section 219(1)(b)(iv) of the Act, this report is being sent to the shareholders of the Company excluding the aforesaid information. Any Member interested in obtaining a copy of such information may write to the Company Secretary at the registered office of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Your Company being a telecommunication service provider is not involved in any manufacturing activity and as such the provisions of Section 217 (1) (e) of the Act read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable, except information relating to foreign exchange earnings and outgo.

(A) However, the following information will give an idea of the efforts made by the Company:

(i) Energy Conservation:

- Electricity is used for the working of the Company's telephone exchanges and other network infrastructure equipment. The Company regularly reviews power consumption patterns across its network and implements requisite improvements/ changes in the network or processes in order to optimize power consumption and thereby achieve cost savings.
- Reduction of Diesel Generator ("DG") running during power cuts through DG on delay management system.
- Periodic energy audit and implementation of audit recommendations.
- Also see section 'Corporate Sustainability' included in the report for further details on initiative.

(ii) Technology Absorption:

The Company has not imported any technology.

(B) Foreign Exchange Earnings and Outgo:

(Rs. in Crores)

Particulars	2013 - 14	2012 - 13
Earnings	6.23	8.63
Outgo	107.03	122.17
Capital Goods	18.31	42.66

Corporate Governance

A report on Corporate Governance appears after this Report. A certificate from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, with regard to compliance with the Clause 49 of

the Listing Agreements by the Company is annexed hereto and forms part of this report.

The Company has complied with mandatory requirements prescribed under Clause 49 of the Listing Agreements with the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Company has also implemented some of the non-mandatory provisions as contained in Clause 49 of the Listing Agreements.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Act, the Directors, to the best of their knowledge and belief, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2014 and of the loss for the Company for that period;

3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. They have prepared the annual accounts on a going concern basis.

Acknowledgements

The Directors wish to place on record their sincere appreciation of the assistance and support extended by the employees, shareholders, customers, financial institutions, banks, vendors, Department of Telecommunications, the Central and State Governments and others associated with the activities of the Company. We look forward to their continued support in future.

For and on behalf of the Board of Directors

Mumbai
May 15, 2014

Kishor A. Chaukar
Chairman
DIN: 00033830

Corporate Sustainability

The Company has always promoted the highest standards of corporate ethics and compliance in all its dealings and in the conduct of its operations. The Company is committed to pursuing initiatives relating to environment preservation and management of natural resources.

The Company integrated the existing Corporate Sustainability and Corporate Social Responsibility teams, into one unified Corporate Sustainability Group and revisited the charter and approach. The Company formed a dedicated environment sustainability team during the year with the key focus on Carbon Footprint (energy saving, green energy and E-waste) and EMF (Electromagnetic Fields) across its telecom network, offices and product & service offerings.

The Company adapted a two pronged approach towards environment. Actions on high impact areas which are material to environment were addressed through a concept of 'theme hubs' while culture building across larger employee base was enabled through voluntary Prakriti clubs at each location. Three theme hubs – one for energy, waste and RF Safety are operational, with a charter to enable Company implement industry leading practices. The hubs are guided by Company's leadership, which includes the Managing Director and reviewed by a working committee.

The Company seeks to continuously find ways to reduce carbon footprint and leverage telecommunications reach for initiatives aimed at the benefit of society and the environment including sharing of tower infrastructure resulting in substantial reductions in energy consumption, encouraging use of audio and video conference instead of travel for reduction of carbon dioxide emissions, introduction of highly efficient power sources and air-conditioning equipment at its network centers, encouraging customers to switch to an e-bill instead of receiving printed bills, statements and receipts, encouraging employees to re-use stationery and introduction of print manager to discourage wasteful paper usage. The Company discloses

information regarding carbon footprint to the regulator periodically.

The Company revised its Corporate Social Responsibility ("CSR") approach with a focus on utilizing its core products and business model to support quality of life and livelihood for the identified communities. The Company, through its CSR initiatives, empowers communities, skills them through training and provides them with a means of earning a livelihood. The Company periodically outsources data entry and back office work to non-government organizations (NGOs) working with differently abled and economically weaker sections of the society, which constitute an important part of its business. By leveraging these competencies, the Company has been able to undertake projects that have the capability of creating sustainable livelihoods.

The Company is also running an outbound call centre which is totally managed by visually challenged youth. This is a good source of income for their families as many of them are the sole bread earners.

The Company's CSR strategy is focused on three broad indicators of development - human, social and economic. Projects that focus on education geared towards employability, employee volunteering, employment generation and employability are undertaken as a part of the CSR strategy.

Under employment, the Company has hired eligible candidates from backward communities in its Retail stores after completion of successful training certification by the candidate.

The Company as a part of group initiative participated in the volunteering programme "Tata Engage" organised by the Tata Strategy Group (TSG). The initiative aimed to encourage Tata employees around the globe to get involved in the community by contributing their time and skills.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is set of practices followed to ensure that the affairs of the Company are managed in a way which would ensure its accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and social expectations.

The Company believes in highest standard of good and ethical Corporate Governance practices. Good Governance practices are stem from the culture and mindset of the organization. It is also believed that Corporate Governance is not only about enacting regulations and procedures but also maintaining and establishing an environment of trust and confidence among various stakeholders. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

In order to adopt Corporate Governance practice in its true spirit, the Board of Directors has put in place "**Tata Code of Conduct**" for its employees including Managing Director and senior management and "Code of Conduct for its Non-Executive Directors". Both these codes are available on the website of the Company i.e., www.tatateleservices.com. Further, the Company's Corporate Governance philosophy has been strengthened through the "Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices".

TATA CODE OF CONDUCT

The Tata Code of Conduct is a comprehensive document that serves as the ethical road map for the employees and the Company. It also inter alia governs the conduct of business in consonance with national interest, fair and accurate presentation of financial statements, being an employer providing equal opportunities to its employees, prohibition on acceptance of gifts and donations that can be intended or perceived to obtain business or uncompetitive favors, practicing political non-alignment, safe and healthy environment for its people, maintaining quality of products and services, being a good corporate citizen, ethical conduct and commitment to enhancement of stakeholder's value.

TATA CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF CORPORATE DISCLOSURE PRACTICES

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("Regulations"), the Company has framed a Code under the nomenclature of 'Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' ("Code") for prevention of insider trading and ensuring timely and adequate disclosures of all material price sensitive information in a transparent manner. Pursuant to the Code, Specified Persons (Directors / Officers / Designated Employees) of the Company are prohibited from dealing in the securities of the Company during the period when the Trading Window is closed. The Trading Window for dealing in securities of the Company remains closed for the following purposes, namely:

- a. declaration of financial results (quarterly and annual);
- b. declaration of dividends (interim and final);
- c. issue of securities by way of public/rights/bonus etc.;
- d. any major expansion plans or execution of new projects;
- e. amalgamation, mergers, takeovers and buy-back;
- f. disposal of whole or substantially whole of the undertaking; and
- g. any significant changes in policies, plans or operations of the Company.

In respect of declaration of financial results, the Trading Window remains closed for 7 days prior to the date on which quarterly or annual results are declared. As regards declaration of interim dividend and other matters referred to in (c) to (g) above, Managing Director/Chief Executive Officer is required, well before initiation of such activity/project, to form a core team of Designated Employees and/or Designated Group Persons who would work on such assignment. Managing Director/Chief Executive Officer is also required to designate a senior employee who would be in-charge of the project. Such designated team members are required to execute an undertaking not to deal in the securities of the Company till the Price Sensitive Information regarding the activity/project is made public or the activity/project is abandoned and the Trading Window would be regarded as closed for them. The Trading Window is opened 24 (twenty-four) hours after the information referred to above is made public.

Further, the Specified Persons, within six months of buying or selling any number of Securities of the Company, cannot enter into an opposite transaction i.e., sell or buy, as the case may be, in any number of the Securities of the Company.

Through Code of Corporate Disclosure Practices, the Company inter-alia ensures following:

- ✓ Price sensitive information is disclosed adequately and at proper time to all the stakeholders.
- ✓ Response to the request for verification of market rumors.
- ✓ Timely reporting of shareholdings/ownership of major shareholders and changes therein as required under applicable rules/regulations.
- ✓ Sharing of only public information to analyst and institutional investor.

CODE OF CONDUCT

All Directors and senior management personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2014. The declaration by Managing Director in this respect appears elsewhere in this Annual Report.

1. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of the Company ("Board") has an optimum combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreements with Stock Exchanges.

The Board of Directors as on March 31, 2014 comprised of 8 (Eight) Directors including a Non-Independent Non-Executive Chairman. 7 (Seven) i.e., 87.5% Directors were Non-Executive and 4 (Four) (50%) of them were Independent Directors. The Company is managed by the Managing Director under the supervision, direction and control of the Board. The Managing Director is assisted by a team of highly qualified and experienced professionals.

None of the Directors of the Company is a member in more than 10 mandatory committees or acts as a Chairman in more than 5 mandatory committees across all public companies in which he is a Director.

The Board has agreed that Non-Executive Directors shall not be responsible for the day-to-day affairs of the Company.

The Board met at least once in each quarter and the maximum time gap between two Board meetings did not exceed the limit prescribed in Clause 49 of the Listing Agreements. 6 (Six) meetings of the Board were held during the financial year ended on March 31, 2014, viz. May 13, 2013, July 29, 2013, August 1, 2013, September 23, 2013, October 30, 2013 and January 30, 2014.

The names and categories of the Directors on the Board, their attendance at Board meetings and Annual General Meeting ("AGM") held during the year, the number of Chairmanships/

Directorships of the Board including that of the Company (Directorship does not include alternate directorship, directorship of private limited companies, companies under Section 25 of the Companies Act, 1956 and foreign companies) and Chairmanship/ Membership of the Committees of the Board (includes only Audit Committee and Shareholders/Investors' Grievance Committee across all public limited companies [listed as well as unlisted] including those of the Company) held by them as on March 31, 2014 are as follows:

Name of the Director	Category	Number of Board Meetings during the year 2013-14		Attendance at AGM held on September 23, 2013	Number of Shares held (including held by dependents)	Relationship with other Directors	No. of Directorships in all Public Companies		No. of Committee Positions held in all Public Companies	
		Held	Attended				Chairman	Member	Chairman	Member
Mr. Kishor A. Chaukar (Chairman)	Non-Independent, Non-Executive	6	6	Present	-	None	2	9	1	6
Mr. Amal Ganguli	Independent, Non-Executive	6	5	Present	-	None	-	12	4	6
Mr. Nadir Godrej	Independent, Non-Executive	6	5	Absent	-	None	2	8	1	1
Prof. Ashok Jhunjhunwala	Independent, Non-Executive	6	5	Present	8,426	None	-	8	1	5
Mr. D. T. Joseph	Independent, Non-Executive	6	4	Present	-	None	-	5	-	4
Mr. N. S. Ramachandran*	Independent, Non-Executive	6	6	Present	-	None	-	2	1	2
Mr. S. Ramadorai	Non-Independent, Non-Executive	6	2	Present	-	None	7	7	2	6
Mr. Koji Ono	Non-Independent, Non-Executive	6	6	Present	-	None	-	1	-	-
Mr. N. Srinath (Managing Director)**	Executive	6	6	Present	-	None	-	6	-	2

* Mr. N. S. Ramanathan retired from the Board of the Company with effect from March 25, 2014.

** Mr. N. Srinath was re-appointed as a Managing Director of the Company with effect from February 1, 2014 for a term of 3 years.

All the information required to be placed before the Board of Directors under Clause 49 of the Listing Agreements has been duly placed. Dates of the Board/Committee meetings in the ensuing year are decided before the start of the financial year and are communicated to all the Directors well in advance. Additional meetings of the Board are held when deemed necessary by the Board. The agenda along with the explanatory notes are sent in advance to the Directors.

2. AUDIT COMMITTEE

Composition

The composition of the Audit Committee of the Board is in compliance with the provisions of Clause 49 of the Listing Agreements read with Section 292A of the Companies Act, 1956 ("Act") and Section 177 of the Companies Act, 2013. The composition of the Committee as on March 31, 2014 is as follows:

Name of the Member	Description	Category
Prof. Ashok Jhunjhunwala	Chairman	Independent, Non-Executive
Mr. S. Ramadorai	Member	Non-Independent, Non-Executive
Mr. Amal Ganguli	Member	Independent, Non-Executive

The Audit Committee meetings are also attended by Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors. The functional heads are also invited as and when required. The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The terms of reference for the Audit Committee as on March 31, 2014 were broadly as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval of payment for any other services.
- Reviewing the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any related party transactions as per Accounting Standard 18.
- Reviewing with the management performance of the external and internal auditors, the adequacy of internal control systems and ensuring compliance therewith.

- e) Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure and coverage and frequency of internal audit.
- f) Discussing with internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting these matters to the Board.
- h) Discussing with external auditors before the commencement of the audit about the nature and scope of audit as well as having post-audit discussions to ascertain any areas of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) Looking into reasons for any substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- k) Reviewing the functioning of the Whistle Blower Policy adopted by the Company.
- l) Reviewing the report on Management Discussion & Analysis of Financial Condition and Results of Operations, to be included in the Company's Annual Report to its shareholders.

The Board at its meeting held on May 15, 2014 revised the terms of reference of the Audit Committee in order to align it with the provisions of the Companies Act, 2013. The revised terms of reference are as follows:

a) Statutory Auditors

- i) Recommend to the Board of Directors ("the Board") the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, including filling of a casual vacancy, fixation of audit fee/remuneration, terms of appointment.
- ii) Recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.
- iii) Approve the appointment of and the fees for any other services as may be rendered by the statutory auditors. Provided that the statutory auditors shall not render services prohibited to them by Section 144 of the Companies Act, 2013 ("the Act") or by professional regulations.

The Committee shall take into consideration the qualifications and experience of the individual/firm proposed to be considered for appointment as auditors and whether qualifications and experience are commensurate with the size, nature of business and requirements of the Company and also consider any completed and pending proceedings relating to professional matters of conduct against the proposed individual auditor/firm of auditors before the Institute of Chartered Accountants of India or any competent authority or any Court.

b) Review and monitor independence and performance of statutory auditors

- i) Review and monitor the independence and performance of the auditors and effectiveness of audit process.
- ii) The Committee is also responsible for:
 - Actively engaging in dialogue with the Statutory Auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and
 - Recommending that the Board takes appropriate action in response to the Statutory Auditors' Report to satisfy itself of their independence.

c) Review audit plan

Review/discussion with the Statutory Auditors their plans for, and the nature and scope of, their annual audit and other examinations

d) Review and examination of Audit Reports

Review and examination with the Statutory Auditors the proposed report on the annual audit, areas of concern, the accompanying management letter, if any, the reports of their reviews of the Company's interim financial statements, and the reports of the results of such other examinations outside of the course of the statutory auditors' normal audit procedures that they may from time to time undertake.

e) Review and examination of Financial Statements

Review and examination of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible.

The Audit Committee shall review with appropriate officers of the Company and the Statutory Auditors, the annual financial statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act, 2013 or the Corresponding provisions of the Companies Act, 1956.
- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgement by management.
- Qualifications in draft audit report.
- Significant adjustments made in the financial statements arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with listing and other legal requirements relating to financial statements.

- Any related party transactions i.e., transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
- Contingent liabilities.
- Status of litigations by or against the Company.
- Claims against the Company and their effect on the accounts.

The definition of the term “Financial Statement” shall be the same as under section 2(40) of the Companies Act, 2013.

f) Review quarterly/half yearly Results

Reviewing with the management, the quarterly/half yearly financial statements before submission to the Board for approval.

g) Risk Management Functions

Evaluation of internal financial and operational controls and risk management systems to obtain reasonable assurance based on evidence regarding processes followed and their appropriate testing that such systems are adequate and comprehensive, are in place and are working effectively.

The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required, the Committee may assign tasks to the Internal Auditors, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

h) Review policies

Review and confirm that the Company has in place a system of determining and mitigating financial and enterprise-wide risks applicable to the Company and that the system is functioning effectively.

i) Internal Auditor

- i) Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Internal Auditors, including fixation of audit fee/remuneration and terms of appointment.
- ii) Review of performance of Internal Auditor.

j) Review internal audit function

Review the adequacy of the internal audit function, including the structure of the internal audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the reporting structure, coverage and frequency of internal audit.

k) Review Internal Audit plans

Review with the senior internal audit executive and appropriate members of the staff of the internal auditing department and/or with outside individual/firm appointed as Internal Auditor the plans for and the scope of their ongoing audit activities and also review the periodicity and methodology for conducting the internal audit.

l) Review Internal Audit reports

- i) Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department and/or with outside individual/firm appointed as Internal Auditor the periodic reports of the findings of the audit and reports and the necessary follow up and implementation of correction of errors and other necessary actions required.
- ii) Review the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken. Any such matters shall be reported to the Board if necessary and appropriate.

m) Cost Auditor

The Committee shall after taking into consideration the qualifications and experience of the person proposed for appointment as the cost auditor, recommend such appointment to the Board, together with the remuneration to be paid to the cost auditor.

n) Other Auditor(s)

The Committee may appoint such other auditor(s) and recommend them to the Board, together with the remuneration to be paid to such auditor, as may be required by any law for the time being in force.

o) Review systems of internal accounting controls

Review with the statutory auditors and the senior internal auditing executive to the extent deemed appropriate by the Chairman of the Committee, the adequacy of the Company's internal accounting systems for appropriate control over the financial reporting and accounting process(es).

p) Review other matters

Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.

q) Review of Whistle Blower Policy

- i) Review and ensure the existence, adequacy and effective functioning of a Vigil Mechanism/Whistle Blower Policy appropriate to the size, complexity and geographic spread of the Company and its operations.
- ii) Chairman of the Audit Committee be directly accessible in exceptional cases.
- iii) To carry such other functions/actions as stated in the Whistle Blower Policy of the Company.

r) Approval for appointment of Chief Financial Officer (“CFO”)

The Committee shall approve the appointment of the CFO (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

s) Review and monitor the Statement of Uses and Application of Funds

Review and monitor, with the management, the statement of uses/application of funds raised through an issue (public, rights preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.

t) Review of Related Party Transactions

- i) Review and approve transactions with related parties which are in ordinary course of business and on arms length basis.
- ii) Review, approve and recommend to the Board the transactions with related parties which are not in ordinary course of business or on arms length basis.
- iii) Review the statement in summary form of transactions with related parties.
- iv) Approval or any subsequent modification of all transactions of the Company with related parties.

u) Investigation

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it has full access to the information contained in the records of the Company.

v) Seek information / advice

The Audit Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons (outsiders) with suitable qualifications and relevant experience in specific matters, if it considers this necessary.

w) Review and monitor any default of payment

Looking into reasons for any substantial defaults in payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.

x) Reporting of Fraud by the Auditors

In case the auditor has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, or by the Company, the Auditor shall forward his report to the Committee and the Committee shall send its reply or observations to the Auditor and such matters shall be reported to the Board by the Committee.

y) Review of other Information

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operation, to be included in the Company's Annual Report to its shareholders.

2. Statement of related party transaction submitted by the management.
3. Management letters or letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. Inter-corporate loans and investments.
6. Valuation of undertakings and assets of the Company whenever necessary.

z) Reporting to Board

Report its activities to the Board in such manner and at such times, as it deems appropriate.

aa) To attend Meeting(s)

The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to its scope sought by the members of the Company.

The representatives of Statutory Auditors/ Internal Auditors/ Cost Auditors/ or other auditors as may be appointed shall be special invitees to the Audit Committee meetings in which they are invited by the Committee to participate, and they shall participate in discussions related to the audit and reviews of the financial statements of the Company and any other matter that in the opinion of the statutory auditors needs to be brought to the notice of the Committee or any matter.

The Audit Committee may also invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company.

bb) Review of the Terms of Reference of the Audit Committee

The Committee shall review and reassess the adequacy of the terms of reference of the Audit Committee on a periodical basis, and where necessary obtain the assistance of the management, external auditors and external legal counsel.

Management Discussion & Analysis of Financial Condition and Results of Operations, statements of related party transactions, internal audit reports, fraud related reports, quarterly results, management letters to auditors, proposals and terms of appointment of internal auditors have been regularly placed before the Audit Committee for review during the financial year 2013-14.

Meetings held and attendance during the year

The Audit Committee met at least once in each quarter and the maximum time gap between two Audit Committee meetings has not exceeded the limit prescribed in Clause 49 of the Listing Agreements. Five (5) meetings of the Committee were held during the financial year ended on March 31, 2014, viz. May 13, 2013, August 1, 2013, October 30, 2013, January 30, 2014 and March 24, 2014. Details of attendance of each Member at such meetings are given below:

Name of the Member	No. of meetings during the Financial Year 2013-14	
	Held	Attended
Prof. Ashok Jhunjhunwala	5	5
Mr. N. S. Ramachandran*	5	5
Mr. S. Ramadorai	5	0
Mr. Amal Ganguli	5	5

*Retired from the Board of Directors of the Company with effect from March 25, 2014.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

3. REMUNERATION COMMITTEE

Composition

The Committee's composition as on March 31, 2014 is as under:

Name of the Member	Description	Category
Prof. Ashok Jhunjhunwala	Member	Independent, Non-Executive
Mr. Kishor A. Chaukar	Member	Non-Independent, Non-Executive

The Board vide resolution dated April 10, 2014 passed through circulation, renamed the Committee as 'Nomination and Remuneration Committee' (hereafter referred to as "NRC") and re-constituted the same by appointing Mr. D. T. Joseph as Member and Chairman to the NRC, due to the vacancy caused by the retirement of Mr. N. S. Ramachandran.

Brief description of terms of reference

The Company had constituted a Remuneration Committee for the purpose of approving from time to time, the remuneration payable to Managing Director and Executive Director/s and to discharge any other duties and functions as may be specified under the law, or to perform such task/s as may be entrusted by the Board from time to time.

The Board at its meeting held on May 15, 2014 revised the terms of reference of the NRC in order to align it with the provisions of the Companies Act, 2013. The revised terms of reference are as follow:

1. NRC shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and Senior Management Personnel including Key Managerial Personnel ("KMPs"). NRC to review/revise the said criteria from time to time.
2. NRC shall identify persons who are qualified to become directors and persons who may be appointed in senior management or as KMPs in accordance with the criteria laid down and recommend the same to the Board of Directors.
3. NRC shall devise a policy on Board Diversity and shall recommend to the Board a transparent nomination process of the Directors with the diversity of thought, experience, knowledge, perspective and gender.
4. NRC shall lay down evaluation criteria and carry out evaluation of every Director's performance, including that of the independent Directors and the Board. NRC shall

recommend the performance evaluation of independent Directors to the Board for evaluation by the entire Board (excluding the Director being evaluated).

5. NRC shall formulate a policy relating to the remuneration for the Directors, KMPs and other employees and recommend the policy to the Board. While formulating the policy NRC shall ensure that:
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
6. NRC shall approve the remuneration payable to the Managing Director and Executive Director/s and shall discharge any other statutory duties and functions as may be specified under law, or to perform such task/s as may be entrusted to NRC by the Board of Directors from time to time.

Attendance during the year

During the financial year 2013-14, the Committee met once on March 24, 2014.

Name of the Member	No. of meetings during the Financial Year 2013-14	
	Held	Attended
Mr. N. S. Ramachandran*	1	1
Prof. Ashok Jhunjhunwala	1	1
Mr. Kishor A. Chaukar	1	0

*Retired from the Board of Directors of the Company w.e.f. March 25, 2014.

Remuneration paid to the Directors

None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

Independent Non-Executive Directors: Sitting fee of Rs.15,000/- per head per meeting is paid to the Independent Directors for physically attending meetings of the Board, Audit and Remuneration Committees and Rs. 5,000/- per head per meeting for attending other Committee meetings.

Non-Independent Non-Executive Directors: No sitting fees are paid to Non-Independent Non-Executive Directors.

The Company also reimburses out-of-pocket expenses incurred by the Directors for attending meetings of the Board and Committees of the Board of Directors of the Company and for business of the Company.

None of the Directors has been issued any stock options by the Company during the financial year or anytime in the past.

The details of sitting fees paid by the Company to its Directors during the financial year 2013-14 are as follows:

A) Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)
Mr. Kishor A. Chaukar	-
Mr. Amal Ganguli	1,50,000
Mr. Nadir Godrej	75,000
Prof. Ashok Jhunjhunwala	1,65,000
Mr. D. T. Joseph	60,000
Mr. N. S. Ramachandran	1,85,000
Mr. S. Ramadorai	-
Mr. Koji Ono	-

B) Managing Director

Mr. N. Srinath, who was re-appointed as Managing Director of the Company w.e.f. February 1, 2014, does not draw any remuneration from the Company.

4. INVESTORS' GRIEVANCE COMMITTEE**Composition & Terms of Reference**

The Investors' Grievance Committee of the Board looks into redressal of the shareholders' complaints in respect of any matter including transfer of shares, non-receipt of annual report, dematerialization of shares, issue of duplicate and renewed share certificates, etc. During the financial year 2013-14, the Committee met once on September 23, 2013. The Committee has delegated its powers to officers and employees of the Company and/or to the Company's Registrar and Share Transfer Agent. The delegates regularly attend to share transfer formalities at least once in every 15 days. The composition of the Committee and details relating to meeting of the Committee during the financial year 2013-14 is as follows:

Name of the Member	Description	Category	No. of Meetings during Financial Year 2013-14	
			Held	Attended
Mr. N. S. Ramachandran*	Chairman	Independent, Non-Executive	1	1
Mr. N. Srinath	Member	Executive Director	1	1

*Retired from the Board of Directors of the Company w.e.f. March 25, 2014.

Mr. Bhaskar Chandran, President - Legal, Regulatory and Company Secretary was the Compliance Officer of the Company as on March 31, 2014. The Board of Directors at their meeting held on May 15, 2014 appointed Mr. Kiran Thacker as Company Secretary and Compliance Officer of the Company in place of Mr. Bhaskar Chandran with effect from June 1, 2014.

The Board vide resolution dated April 10, 2014 passed through circulation, renamed the Committee as 'Stakeholders Relationship Committee' and re-constituted the same, by appointing Mr. D. T. Joseph as Member and Chairman to the Committee, due to the vacancy caused by the retirement of Mr. N. S. Ramachandran.

The details of complaints received and redressed during the year are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
2	198	199	1

The status of complaints is reported to the Board on quarterly basis.

In addition to the above, the Company also has various other Committees formed under various acts/rules/code, viz.

1. Ethics and Compliance Committee to consider matters relating to Insider Trading Code;
2. Executive Committee to review business and strategy, long-term financial projections & cash flows, capital and revenue budgets and capital expenditure programmes, acquisitions, divestments and business restructuring proposals, senior management succession planning;
3. Corporate Social Responsibility ("CSR") Committee to recommend the CSR policy for the Company and amount to be spent by the Company on CSR activities.

RISK MANAGEMENT

The Company has devised a formal Risk Management framework for risk assessment, prioritization and minimization. Further, the Company assesses the risk management framework periodically. The scope of the Audit Committee includes review of the Company's financial and risk management framework.

GENERAL BODY MEETINGS**Details of General meetings**

The Company's first statutory meeting was held on April 24, 1995. Till date, the Company has held 18 Annual General Meetings ("AGM") and 15 Extra Ordinary General Meetings of the shareholders.

The details of date, time and venue of the AGMs held during the last three years till March 31, 2014 is as under:

Particulars	Date	Time	Venue
16 th Annual General Meeting	August 16, 2011	3:00 p.m.	Kamalnarayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Nariman Point, Mumbai - 400021
17 th Annual General Meeting	August 29, 2012	3:00 p.m.	"Rangaswar", 4 th Floor, Yashwantrao Chavan Pratishthan Mumbai, Nariman Point, Mumbai - 400021
18 th Annual General Meeting	September 23, 2013	3:00 p.m.	"Rangaswar", 4 th Floor, Yashwantrao Chavan Pratishthan Mumbai, Nariman Point, Mumbai - 400021

Postal Ballot

No resolution was passed through postal ballot during the financial year ended March 31, 2014. None of the businesses proposed to be transacted at the ensuing AGM require passing a special resolution through postal ballot.

DISCLOSURES

Disclosure on Materially Significant Related Party Transactions

There were no material significant related party transactions during the year which in the opinion of the Board may have potential conflicts with the larger interests of the Company. Apart from paying sitting fees, there was no pecuniary transaction undertaken by the Company with the Independent/ Non-Executive Directors during the year ended March 31, 2014. Transactions with related parties are disclosed in Note No. 35 of the Financial Statements.

Details of compliance with respect to Minimum Public Shareholding ("MPS")

In accordance with the Securities Contracts (Regulation) (Amendment) Rules, 2010 ("SCRA"), any listed company which had public shareholding below 25% on the commencement of SCRA, shall increase its public shareholding to at least 25%, within a period of 3 years from the date of such commencement in the manner specified by Securities and Exchange Board of India ("SEBI") vide its Circular No. CIR/CFD-DIL/11/2012 ("circular") dated August 29, 2012 by June 3, 2013.

Your Company being a listed Company was also required to comply with the above provisions. Your Company's public shareholding was 22.28% as on March 31, 2013. As the MPS was not achieved by the Company within the stipulated time period, SEBI had issued certain directions vide order dated June 4, 2013 to all non-compliant companies, pending final order.

In order to comply with the MPS requirement, the Company issued and allotted bonus equity shares to the Members except Promoters and Promoter Group. Post the issue of bonus equity shares by the Company, the public shareholding of the Company rose to 25.10% and the Promoters & Promoter Group shareholding reduced to 74.90%, which is in compliance with the SCRA and Clause 40A of the Listing Agreements.

On achieving MPS requirement, SEBI vide its order dated September 4, 2013 revoked the directions issued vide its earlier order dated June 4, 2013.

Disclosure on Whistle Blower Policy

The Company has adopted a Whistle Blower Policy which ensures protection and confidentiality to whistle blowers. The Chairman of the Audit Committee is authorized to receive from whistle blowers the Protected Disclosures under this policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made by whistle blowers in accordance with the policy. No class of personnel has been denied access to the Audit Committee.

Compliance with mandatory requirements of Clause 49 of the Listing Agreements

As required under Clause 49 of the Listing Agreements, for the financial year 2013-14, the Company has submitted to the BSE Limited and the National Stock Exchange of India Limited, quarterly compliance reports signed by the Compliance Officer of the Company, confirming compliance with the mandatory requirements of the said Clause.

A certificate has been obtained from Deloitte Haskins & Sells

LLP, Auditors, with respect to compliance of the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreements for financial year 2013-14 and the same is annexed to the Director's Report.

Implementation of Non-Mandatory Corporate Governance Requirements

The Company has implemented the non-mandatory corporate governance requirements prescribed under Clause 49 of the Listing Agreements with the stock exchanges with respect to Remuneration Committee and Whistle Blower Policy. It has also provided office facilities to Non-Executive Chairman of the Company.

Certification with Respect to Financial Statements

The certificate as required periodically under Clause 49 of the Listing Agreements is furnished by the Managing Director and the Chief Financial Officer of the Company to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls.

MEANS OF COMMUNICATION

The approved quarterly, half yearly and annual results are forthwith sent to the Stock Exchanges where the shares of the Company are listed and are displayed on the Company's website viz. www.tatateleservices.com and are generally published in Business Line (English daily) and Navshakti (regional language) newspapers within the stipulated time.

The financial results, shareholding pattern, press release and presentations made to institutional investors and analysts are also available on the website of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed report on the Management Discussion and Analysis forms part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

Nineteenth Annual General Meeting

Date	September 25, 2014
Day	Thursday
Time	3:00 p.m.
Venue	"Rangaswar", 4 th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021

Financial Year

The Company follows the April - March financial year.

Date of Book Closure

The share transfer books & the Members' register will be closed between Tuesday, September 16, 2014 to Thursday, September 25, 2014 (both days inclusive) for the purposes of the Nineteenth Annual General Meeting.

Listing on the Stock Exchanges

The Company's equity shares are listed on the following stock exchanges:

BSE Limited ("BSE") P. J. Towers Dalal Street Mumbai - 400 023.	The National Stock Exchange of India Limited ("NSE") Exchange Plaza, 5 th floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
Stock Code : 532371	Stock Symbol : TTML

The Company has paid annual listing fees to both the stock exchanges within the stipulated time.

Market Price Data

The High & Low of the Company's shares during each month in the last financial year were as follows:

(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April'2013	9.24	8.00	9.30	7.00
May'2013	10.58	7.37	10.60	7.35
June'2013	7.63	4.98	7.60	5.00
July'2013	7.78	6.07	7.75	6.05
August'2013	6.94	5.41	6.95	5.40
September'2013	7.48	5.73	7.50	5.70
October'2013	8.48	6.50	8.45	6.65
November'2013	7.95	6.50	7.95	6.45
December'2013	7.77	6.62	7.80	6.55
January'2014	8.77	7.10	8.80	7.05
February'2014	7.85	6.80	7.90	6.80
March'2014	7.60	6.85	7.60	6.85

Source: BSE and NSE Websites

Performance of the Company's Share Price in comparison to BSE and NSE indices

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the financial year 2013-14 are as under:

Particulars	TTML Share Price v/s BSE Sensex		TTML Share Price v/s NSE Nifty	
	TTML Share Price (Rs.)	BSE Sensex	TTML Share Price (Rs.)	NIFTY
As on April 1, 2013	8.64	18,864.75	8.70	5,704.40
As on March 31, 2014	7.41	22,386.37	7.40	6,704.20
Change (%)	-14.24	18.67	-14.94	17.53

Registrar and Share Transfer Agents

The Company has appointed TSR Darashaw Private Limited ("TSR") as its Registrar & Share Transfer Agents. Shareholders are advised to approach TSR on the following address for any shares & demat related queries and problems:

TSR Darashaw Private Limited

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai – 400 011.
Tel.: 91 22 6656 8484
Fax: 91 22 6656 8494 / 8496
E-mail: csq-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Share Transfer System

In order to expedite the process of share transfer and for administrative convenience, the authority for all physical share transfers is delegated to TSR.

The transferee is required to furnish the transfer deed, duly completed in all respects, together with the share certificates to TSR at the above said address in order to enable TSR to process the transfer.

As regards transfers of dematerialized shares, the same can be effected through the demat accounts of the transferor/s and transferee/s maintained with the recognized Depository Participants.

Pursuant to Clause 47(c) of the Listing Agreements, the Company obtains certificate from a Practicing Company Secretary on half-yearly basis to the effect that all the transfers are completed within 15 days from the date of lodgment of the transfer. A copy of the certificate so received is submitted to both the Stock Exchanges, where the shares of the Company are listed.

Distribution of Shareholding

The broad shareholding distribution of the Company as on March 31, 2014 with respect to categories of investors was as follows:

Category of Investors		Percentage of Shareholding	
		As on March 31, 2014	As on March 31, 2013
Promoters & Promoter Group Companies	Indian	63.14*	65.60*
	Foreign	11.76	12.12
International Investors (FIIs / NRIs / OCBs / Foreign Banks / Foreign Corporate Bodies)		1.13	1.09
Indian Financial Institutions / Banks / Mutual Funds		0.15	0.12
Private Bodies Corporate		2.54	2.46
Individuals		21.28	18.61
TOTAL		100.00	100.00

* Tata Teleservices Limited (a Promoter) has pledged its shareholding equivalent to 26% of the Company's total paid-up capital to secure the term loans/facilities availed by the Company.

The broad shareholding distribution of the Company as on March 31, 2014 with respect to size of holdings was as follows:

Range (No. of Shares)	% of Paid-up Capital	Total No. of Shareholders	% of Total No. of Shareholders
1 to 500	2.48	2,73,094	62.12
501 to 1000	2.48	75,152	17.10
1001 to 2000	3.55	53,964	12.28
2001 to 3000	1.90	15,450	3.51
3001 to 4000	1.11	6,214	1.41
4001 to 5000	0.74	3,159	0.72
5001 to 10000	2.45	7,144	1.63
10001 and above	85.29	5,416	1.23
Total	100.00	4,39,593	100.00

The Company had a total of 4,39,593 shareholders as on March 31, 2014.

The quarterly shareholding patterns filed with the Stock Exchanges are also uploaded on the website of the Company and are also available on the website of the Corporate Filing and Dissemination System viz. www.corpfiling.co.in and are available for public viewing.

Dematerialization of Shares & Liquidity

The equity shares of the Company are under compulsory dematerialized form. As of March 31, 2014, 99.83% of the total equity shares issued by the Company have been dematerialised. The equity shares of the Company are available for dematerialisation with both the depositories in India i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

Outstanding Employee Stock Options, GDRs, ADRs, etc.

The Company has not issued any GDRs/ADRs/Warrants. There are no outstanding Foreign Currency Convertible Bonds ("FCCBs") and Employee Stock Options.

Where we offer service

The Company now offers GSM service in 898 towns and CDMA

services in 947 towns in the States of Maharashtra and Goa through its telephone exchanges located at Turbhe (Navi Mumbai), Nariman Point (Mumbai), Andheri (Mumbai), Pune, Nasik, Panjim, Nagpur, Aurangabad and Kolhapur.

Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence/queries to TSR and only the non-shares related correspondence and complaints regarding TSR should be addressed to the Compliance Officer at the registered office of the Company. Shareholders holding shares in electronic mode (dematerialized) should address all shares related correspondence to their respective Depository Participants only.

Auditors' Certificate

The certificate dated May 15, 2014 issued by Deloitte Haskins & Sells LLP, Statutory Auditors, on compliance with the Corporate Governance requirements by the Company is annexed to the Directors' Report.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2014, received from the Senior management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the General Manager cadre and above and the Company Secretary.

Mumbai
May 15, 2014

Mr. N. Srinath
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. Overview of India's Economy

As per advanced estimates data released by the Central Statistics Office ("CSO") of Government of India, India's economy grew by 4.7% in 2013-14, shade above the decade low growth of 4.5% growth in 2012-13. The economy posting two consecutive years of below 5% growth is a result of weak investor sentiments. India's growth challenge has been further accentuated by an adverse global economic climate that is impacting the country's exports growth; the sector accounts for nearly a quarter of the economy.

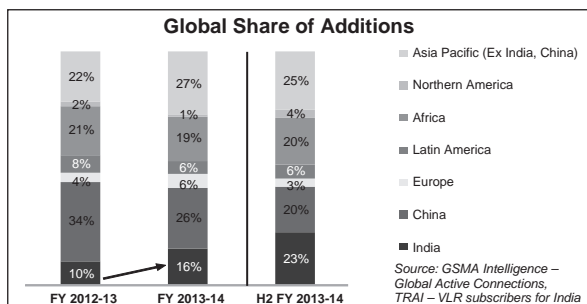
Growth in 2013-14 was helped by a smart rebound in the farm sector which grew an annual 4.7% compared to 1.4% in the previous year. Industry growth was severely impacted at 0.65%, while services growth at 7% was similar to previous year. The fiscal deficit for the year was restricted to 4.5% of GDP driven by Government's measures to limit the same. Inflation continued to remain high (CPI) at 9.5%, while it has moderated compared to previous year and is a barrier to reducing interest rates required to revive investments.

As per the World Economic Outlook published by the International Monetary Fund ("IMF") in April 2014, India's GDP growth is projected to strengthen to 5.4% in 2014-15 and 6.4% in 2015-16, assuming that the Government's efforts to revive investment growth succeed and exports' growth strengthens after the recent rupee depreciation and improvement in the global economy.

B. Industry Structure and Developments

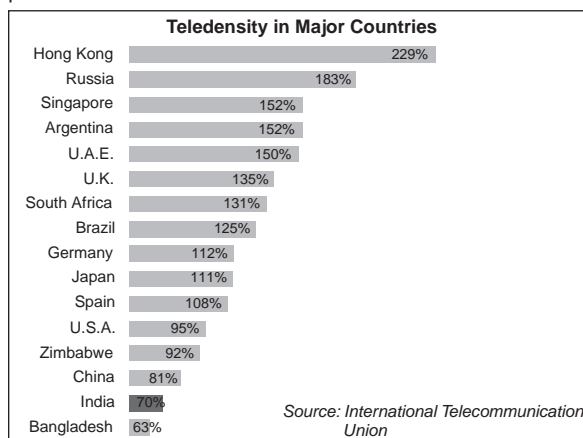
Globally the telecom industry witnessed a continued growth of mobile connections, with the total connections about 6.9 Billion (taking the global teledensity to ~95%). There was an addition of 425 Million new connections in the financial year ended March 31, 2014. Asia Pacific region which has seen the maximum growth in connections over the past decade continued adding majority of the global connections. In 2013-14, about 69% of the global additions were from the Asia Pacific region. Africa was the second highest growing region with 19% of the global additions, while the contribution by the developed economies was less than 10% during the year.

With 905 Million mobile subscribers, India continues to be the world's second largest telecommunications' market, only behind China. Driven by more stringent acquisition norms, operator's re-orientation and with their focus on better quality acquisitions, the percentage of Visitor Location Register ("VLR") subscribers increased from 83.3% to 87.4% in the corresponding period. During the year, India's share in global net additions stood at 16%, a significant improvement over last year. The second half of the year was even better, wherein India led the share of global net additions as can be seen from the chart.

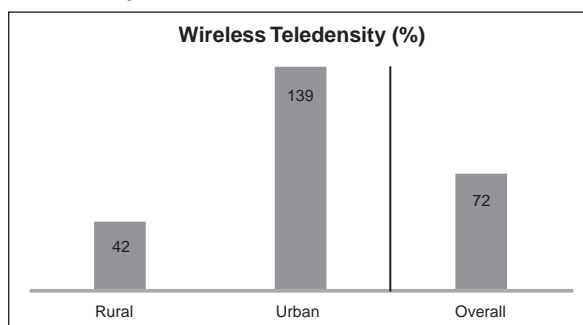
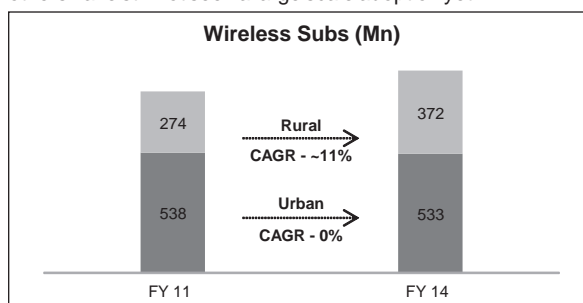


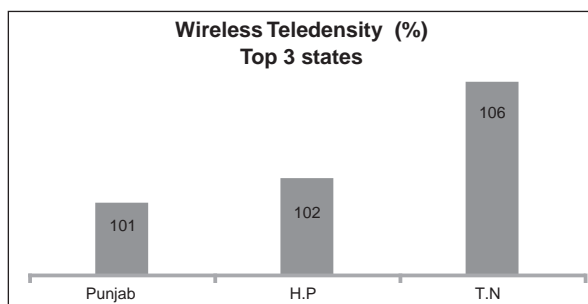
India has also witnessed, in less than a decade, the mobile phone becoming almost a necessity and a way of life for people. The key drivers for easy access to mobile services in India have been low tariffs and affordable handsets. India has made significant achievements in terms of accessibility and connectivity throughout the country and the telecom sector has been the major contributor to the country's growth, accounting for nearly 1.5% of the total GDP.

Even with this promising growth in the past the potential for more additions in India in the near future is significant. The teledensity in India still lags as compared to other major countries in the world. As can be seen from the chart, even countries with similar demographic and economic profiles such as Brazil, China and Russia have also achieved much higher penetration of mobile services than India.

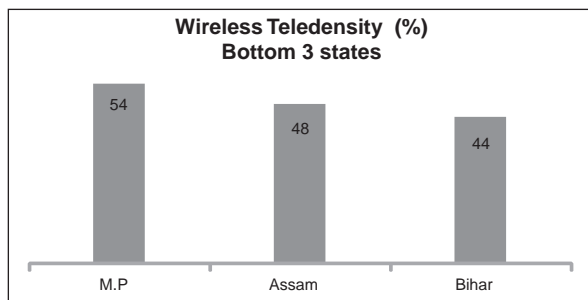


Further, it is interesting to note that India's teledensity is characterized by high penetration in some service areas, while others have still not seen a large scale adoption yet.





Source: TRAI, Figures as of December 2013



Source: TRAI, Figures as of December 2013

The last few years have witnessed promising addition of subscribers from the rural areas, but there is significant scope for enhancing adoption and subsequently increasing teledensity.

The last few years have been generally tough for the telecom players in India – on the regulatory and competitive front. 2013-14 showed early signs of some stability and revival in the sector with reversal of the trend of falling tariffs, marginally lower competitive intensity and some clarity in the regulatory environment. These are promising for the industry and can lead to a revival of growth in the sector.

The telecom industry is in the midst of a transformational shift, driven by a surge in data traffic on telecom networks, the emergence of Over The Top (“OTT”) players and the convergence of services & devices. In line with global trends, data services are growing rapidly, by almost 100% year on year. The growth in data services has been driven by increase in data user penetration, reduced cost of ownership of smartphone's and reduced tariffs by operators, among others. During the year, there were clear signs of a shift in price competition from voice to data with all operators slashing data tariffs, mainly 3G, in the latter half of the year.

Further, India's demographic profile is further conducive to the growth in data traffic given significant increase in young and working population expected in future decades. It is widely believed that the proportion of data revenues at less than 10% are significantly lower than potential. Some analysts expect the same to reach 25-30% in the next couple of years.

Along with the increased penetration of mobile services especially in the rural areas, the exponential growth of data traffic could be the two key driving factors of the industry in the near future.

C. Key Regulatory Developments

The National Telecom Policy of 2012 laid down the Government's roadmap for the telecom sector. After allowing

100% Foreign Direct Investment (“FDI”) in the sector, the Government's focus during the last year shifted to enabling guidelines related to licensing, spectrum and Merger & Acquisition with a view to bring in greater clarity in the regulatory environment. Some of the key developments on the regulatory front are as under:

1. Spectrum Auctions

- The Department of Telecommunications (“DoT”) guideline on Unified License issued on August 19, 2013 delinked spectrum from Licenses. Consequently, DoT held auctions for spectrum in both 900 and 1800 MHz bands allotted with licenses in 1994 and due for renewals in 2014-15 and additional spectrum in 1800 MHz band in February 2014. The auctions saw a high level of participation from all the operators, earning the exchequer in excess of Rs. 61,000 Crores.
- It is expected that, there may be another round of auction of spectrum in 900 and 1800 MHz bands since total of 29 licenses of different operators in various service areas are due to expire in end of 2015 or early 2016. Company's licenses are not due for renewal during the said period.
- With regards to auction in 800 MHz band, Telecom Regulatory Authority of India (“TRAI”) has given its recommendations on February 22, 2014 and DoT has asked TRAI to reconsider the same.

2. Merger & Acquisition (“M&A”) Guidelines

The M&A guidelines were issued on February 20, 2014. The major highlights of the same are as follows:

- Transfer of administratively allocated spectrum will entail payment of differential between the entry fee and the market determined price of spectrum for the remaining validity of the license.
- Market share for access services in respective service area of resultant entity cannot exceed 50%.
- Total spectrum holding subjected to certain limits.
- Lock-in condition applicable to an entity participating in auctions will apply to resultant entity in the event of M&A.

3. Spectrum Trading and Spectrum Sharing

Telecom Commission in its meeting in October 2013 had given in-principle approval to spectrum trading and the same was approved by Empowered Group of Ministers. Subsequently, TRAI released detailed recommendations on spectrum trading on January 28, 2014. Final guidelines from DoT are awaited.

TRAI is in the process of issuing its recommendations on spectrum sharing shortly.

4. 3G Intra Circle Roaming (“ICR”)

In order to provide seamless 3G services to its subscribers, some of the operators who do not have GSM 3G spectrum in a service area, have entered into ICR arrangements with other operators who have GSM 3G spectrum in that particular service area. DoT objected to such ICR arrangements and is of the view that it is not permitted under Licenses and had issued penalty show cause

notices to operators. Telecom Disputes Settlement and Appellate Tribunal ("TDSAT") judgment pronounced on April 29, 2014 held that intra-circle 3G roaming arrangements do not violate any License provisions.

5. OneTime Spectrum Charge ("OTSC")

The Government imposed OTSC for spectrum held beyond 6.2 MHz (GSM) for the period July 1, 2008 to December 31, 2012; spectrum held beyond 4.4 MHz (GSM) with effect from January 1, 2013; and spectrum held beyond 2.5 MHz (CDMA) with effect from January 1, 2013 for the balance period of license. Government also permitted the operators to surrender the spectrum held beyond 4.4 MHz (GSM) and beyond 2.5 MHz (CDMA) in case the operators do not want to pay OTSC. Writ petitions have been filed by operators in various High Courts challenging this decision of the Government and the Courts have stayed the order/demand for OTSC. The Company has surrendered excess spectrum held beyond 2.5 MHz in Maharashtra service area, while it has retained 1.25 MHz held beyond 2.5 MHz spectrum in Mumbai service area, surrendering 1.25 MHz.

6. Dual Technology

The challenge by Cellular Operators Association of India to the Government of India's Dual Technology Policy is pending before the Supreme Court. The matter was adjourned sine-die. Now, the matter is currently on board and will be taken up for final hearing in due course.

7. Contracted Spectrum

The Company has sought grant of the contracted GSM spectrum upto 6.2 MHz in service areas where it has only been allocated 4.4 MHz of start-up GSM spectrum. The Company's petition was dismissed by TDSAT pending the challenge to the Dual Technology Policy. The Company has filed an appeal against the TDSAT judgment before the Supreme Court.

8. Certain Amendments Issued by TRAI

- TRAI issued 2nd Amendment to Telecom Consumers Complaint Redressal Regulation dated September 11, 2013 to bring accessibility of Appellate Authority to subscribers; the registration of appeals through complaint centre has been facilitated.
- TRAI issued 56th Amendment to Telecom Tariff Order dated November 26, 2013 defining ceiling charges of Rs. 1.50 per session for USSD based mobile banking services.
- TRAI issued Amendment to the Mobile Banking (QoS) Regulation dated November 26, 2013 to facilitate not only the banking but also the authorized agents of the banks to use SMS, USSD and IVR to provide banking services to the bank customers.
- TRAI issued 7th Amendment to Telecom Consumer Protection Regulation dated December 3, 2013 defining procedure for renewal of Special Tariff Vouchers.

9. Green Telecom Norms

DoT has issued guidelines for the implementation of the new norms of green telecom, to be implemented by the

operators, effective financial year 2011-12. The Company has submitted its Carbon Foot Print report to TRAI for the year 2011-12 till 2013-14.

10. Maharashtra Tower Policy

Government of Maharashtra (Urban Development Department) has issued a new policy governing setting up of telecom towers and installation of equipments for telecom network on March 4, 2014. The said policy mandates various permissions, NOC's and clearances to be obtained from various authorities. It also prohibits installation of towers atop buildings housing schools, colleges, hospitals and specifies distances should be maintained between such buildings and towers. This policy would impact network roll out for all Operators in terms of time required to obtain such clearances, would create coverage holes and also would impact existing cell sites for which fresh approvals are required.

It may be noted that the policy contains many clauses which are at variance with the DoT policy; and Regulations issued by DoT shall override the provisions of the State Regulations. It is understood that the Centre has asked the Maharashtra Government to align its tower policy with DoT guidelines to avoid mobile services getting adversely impacted in the State. Industry is preparing to challenge this policy in the court of law.

D. Opportunities and Threats

Opportunities

The evolving Indian telecom market continues to provide operators with new growth opportunities. Post cancellation of licenses in 2012, the industry has seen some moderation in the competitive landscape resulting in an increase in tariffs and profitability.

- In the spectrum auction concluded in February 2014, the industry players have spent over Rs. 61,000 Crores to acquire spectrum in the 1800 MHz and 900 MHz bands. Such large investments made by the telecom operators to acquire spectrum could possibly lead to tariff increases over the course of the next year.
- The Indian wireless data market is in its nascent stage. The projected increase in smartphones' penetration levels (currently as low as ~7%) will lead to faster growth of the data services in coming years and provide the operators with an opportunity to focus on servicing data needs of the consumer and acquire a share in this segment. Your Company is a market leader in the data segment and has consistently been a pioneer in launching successful data products.
- New business services such as mobile commerce, Wi-Fi etc. provide potential for the operators to expand the breadth of their services and remain competitive in the market. The Company is well positioned to serve the customer in these areas after having launched innovative products and services in the past year.

Thus explosion in data volumes, increase in tariffs and increased penetration in rural areas are expected to be the key growth enablers in near future.

Threats

The last few years have witnessed uncertainty on the regulatory

front and slowdown on the economic front. A stable regulatory and economic environment is critical for realizing the telecom sector's growth potential.

Further, the competitive intensity in the telecommunications sector is expected to remain a challenge for all service providers due to launches by new operators, introduction of new technologies, aggressive pricing and marketing practices and fierce competition in bidding for spectrum.

E. Segment-wise or Product-wise Performance

The Company operates in only one business segment, which is providing telecommunication services. Further the services are provided only in domestic markets in India. Details of various products and services are provided in the Directors' Report.

F. Risks and Concerns

This section discusses the various aspects of enterprise- wide risks management. It might be noted that the risk related information outlined here is not exhaustive and is for information purpose only.

As is the case with any infrastructure project, the Company is exposed to a number of risks such as regulatory risks, technology risks, financing risks and competition risks. The Company has a well defined risk management system which enables and ensures that adequate risk management process is established and followed in all facets of Company's work systems, thereby reassuring all stakeholders, customers, investors, employees and partners of the Company's business sustainability.



The objective of the Company's Enterprise Risk policy is to strengthen and formalize risk management practices to identify and mitigate risks in a structured and consistent manner.

The key risks facing the Company include:

1. Regulatory Risks

Telecom Policies in areas of dual technology license, allocation of spectrum, EMF radiations, definition of Adjusted Gross Revenue for License fees' payouts, green technology issues, security guidelines and the decision to charge OTSC within

contracted quantum of spectrum etc. have led to litigation and these issues are now pending before various courts.

The Company's licenses and spectrum allocations are for fixed periods and are renewable for additional terms subject to approvals and market determined prices.

2. Technological Risks

CDMA ecosystem has been witnessing a decline globally due to limited availability of handsets and limited scope for international roaming. The Company optimized its CDMA spectrum by surrendering one carrier in Mumbai and two carriers in Maharashtra service areas. The same was implemented after detailed analysis of existing capacities available and thereafter the required capacity expansions were carried out by adding new sites co-located with the existing GSM sites to optimize operating expenses. The Company also ensured that the customer experience remained seamless even after the carrier surrender.

Changes in technology may require the Company to invest in newer technologies and buy spectrum required for it in an auction for these new technologies, which would demand substantial capital investments.

Competing services such as 4G are being launched by competition for which the Company currently has no spectrum. These products would compete with the existing voice and data offerings of the Company and could impact its current market share and pricing.

The telecommunication industry has seen rapid changes in the technology. Although the Company strives to keep its technology up to date in accordance with the latest international technological standards, the technology currently employed by it may become obsolete or subject to competition from new technologies in the future.

3. Financing Risks

The Company is a telecommunication service provider and requires significant funding on an ongoing basis for expanding telecom infrastructure including services to be offered using GSM technology. The Company has to meet various lender covenants for its borrowings. The Company experienced difficulties in its borrowing programs in the past when the telecom sector was faced with uncertainties.

4. Dependency on the Promoters

The Company has closely aligned and integrated its business operations and strategies with those of Tata Teleservices Limited ("TTSL") and also shares certain infrastructure (e.g., billing platform, intelligent network platform etc.) and activities (e.g. procurement) with TTSL. The Company benefits from the goodwill associated with the Tata DOCOMO brand that Tata Sons Limited and NTT DOCOMO Inc. have permitted the Company to use for marketing its products and services. The Company's central services sharing arrangements with TTSL allow it to jointly negotiate with equipment suppliers and service providers and benefit from economies of scale. In addition, the Company offers roaming services to its CDMA/GSM mobile subscribers, who can roam in the service areas where TTSL network is operational and vice-versa.

5. Interconnection Risks

In respect of SMS termination, various operators have raised invoices claiming SMS termination charges @ 10 paise per

SMS. The motivation to do so has come from the Order passed by TDSAT coupled with the facts that the tariff for SMS termination charge was under forbearance by TRAI. The Company has challenged the action of the other operators before the TDSAT, which has passed interim direction to pay SMS termination charge @ 5 paise per SMS on net inflow basis of traffic from the date of filing of the petition. TRAI has recently prescribed a termination rate of 2 paise per SMS and has also levied additional 5 paise per SMS on transactional SMSs. The TDSAT has also modified its interim order and directed the Company to pay SMS termination charges @ 2 paise per SMS in accordance with the new SMS Termination Charge Regulation with effect from June 1, 2013.

6. Competition Risks

The Indian telecommunication industry has witnessed intense competition with the entry of the new operators who received licenses in 2008. However, with the cancellation of 122 licenses by the Hon'ble Supreme Court of India in early 2012, the competitive intensity has moderated since. Over the past year though, the competition has shifted from voice to data services, with the operators keen on acquiring a larger pie of the fast growing segment. Efforts by operators (existing and new) to penetrate 3G services further and 4G services offerings could further intensify competition in data services. Competition also creates need for higher expenditure on marketing and advertising.

G. Internal Control Systems and their Adequacy

An Audit Committee of the Board of Directors has been constituted as per the provisions of Section 292A of the Companies Act, 1956 ("Act").

The internal audit for various functions/aspects is conducted by the independent firms, which conduct reviews and evaluation and present their reports to the Audit Committee and the management at regular intervals.

The Internal Auditors' reports dealing with internal control systems are considered by the Audit Committee and appropriate actions are taken, wherever necessary.

H. Developments in Human Resources

The Company continued to invest in its people and held multiple capability development interventions across functions and levels to sharpen people skills to cater to the dynamic nature of the Industry. The Company had 40 campus engagements this year for recruitment. The number of cross functional movements through Internal Job Postings has been encouraging as the Company continues to work towards improving cross functional skill development in our people both through training as well as job rotation.

In line with the Integrated Leadership Development System ("ILDP") - a comprehensive mechanism for identifying, classifying, reviewing, development & grooming of leaders and succession planning, automated user friendly system have been developed to conduct Talent Review, Individual Development Planning & Succession Planning. High focus on leadership training programs have continued as per Leadership Road Map with programs conducted in partnership with IIM – Ahmedabad, TMTC (Tata Management Training Centre) and premium training partners to groom and develop leaders. The Company had 1,298 employees on its rolls as on March 31, 2014.

I. Developments on Quality and Processes

The Company has undertaken TL 9000 (R 5.0) certification to demonstrate its capability to consistently provide services that enhance customer satisfaction through effective deployment of a quality management system. The Company received this prestigious certification for the first time in December 2012 for Data Products [Multiprotocol Label Switching (MPLS), ILL, Digital Loop Carrier (DLC), National Private Leased Circuits (NPLC)]. The first Surveillance Audit was successfully completed in December 2013.

The Company was also awarded with ISO 27001, ISMS (Information Security Management Systems) Certification in May 2011. The second Surveillance Audit was successfully completed in June 2013 and a Recertification Audit was completed recently in April 2014. The Company was awarded with BS 25999-2:2007, BCMS (Business Continuity Management Systems) certification in June 2012. The second Surveillance Audit was successfully completed in May 2013. An upgradation Audit to ISO 22301 was also completed successfully in December 2013. The final ISO 22301 Audit is planned in May 2014.

The Company is also participating in the Tata Business Excellence Model ("TBEM"), an Excellence Model pursued by the Tata Group. The Company attempts to achieve business excellence through various quality (Six Sigma/Kaizen) projects and drive service excellence and cost optimization throughout the organization.

The Company promotes a culture of innovation and has provided various forums (portals) for employees to post innovative ideas and suggestions against Business Challenges and to showcase their Innovations. The Company is one of the most active organizations in Tata Group to promote a culture of innovation and has received the award of 'Exemplary Company on Tata Innoverse' consistently for the last 3 years.

"TTL Innovation Awards" were introduced in order to recognize and celebrate the spirit of innovation, and promote a culture that strives to 'open up and do the new'. This contest aims to identify and recognize the best innovations within the organization, awarding individuals and teams in areas of customer service, marketing, products and processes among others.

J. Analysis of Financial Condition and Results of Operations

The financial statements have been prepared in accordance with the requirements of the Act, the Indian Generally Accepted Accounting Principles (Indian GAAP) and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India, from time to time. The Board of Directors believes that it has been objective and prudent in making estimates and judgments required for preparing the financial statements and confirms that these financial statements are a true and fair presentation of the Company's operations and losses for the year.

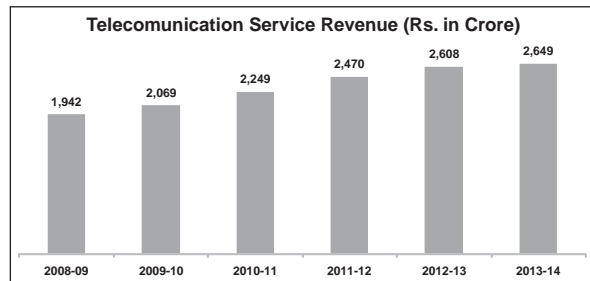
K. Key Financial Information & Operational Performance

1. Revenue from Telecommunication Services

As on March 31, 2014, the Company had a total wireless subscriber base of 9.8 Million as compared to previous year level of 9.7 Million. There was a reduction in subscriber base of CDMA technology by about 8% while the subscriber base for GSM grew by about 7%.

CDMA technology is a part of a globally diminishing ecosystem, and has seen a gradual decline in customer base as well as revenue over the last few years. GSM technology although new for the Company is a part of a growing ecosystem and so far the growth in GSM has compensated for the decline in CDMA.

The Company's revenue for the year ended March 31, 2014 increased to Rs. 2,649.43 Crores as against Rs. 2,608.16 Crores in the previous year.



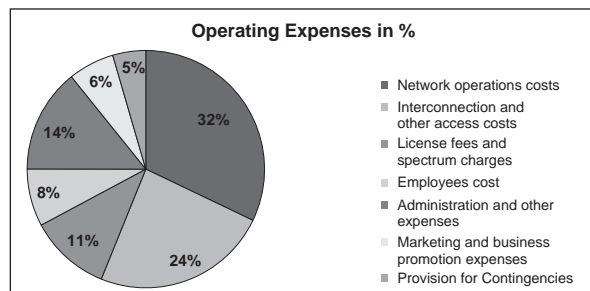
Similar to the trend of subscribers, revenue from CDMA technology declined by about 6% while the GSM technology witnessed a healthy growth of about 14%. The revenue growth for the GSM technology was better for the Company as compared to the subscriber growth due to the focus on quality of customers, which generated higher Average Revenue Per User ("ARPU") for the Company as compared to previous year. The wireline business performance in terms of subscribers was marginally lower than the previous year while in terms of revenue it witnessed a modest 8% growth.

2. Other Income

Other Income during the year stood at Rs. 169.24 Crores (previous year was Rs. 77.39 Crores) which included income from rendering services to the tune of Rs. 81.48 Crores (previous year was Rs. 25.71 Crores).

3. Operating Expenses

Operating expenses including provision for contingencies for the year were recorded at Rs. 2,204.37 Crores as against Rs. 2,184.92 Crores in the previous year. The major components of the total operating expenses are as follows:



The major increase in operating expenses was in network operation costs which increased by about 13% to Rs. 707.64 Crores as against Rs. 627.21 Crores in the previous year. This increase was primarily due to addition of about 2,000 cell sites in Mumbai and Maharashtra service areas.

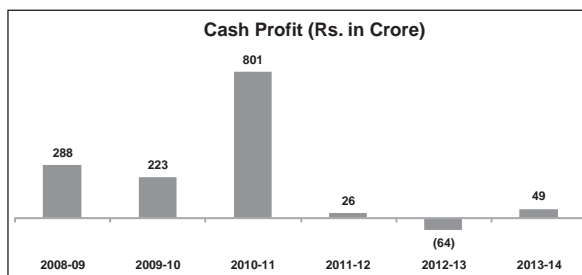
The biggest rationalization in cost was under marketing and business promotion expenses which decreased by about 21% to Rs. 138.47 Crores as against Rs. 175.38 Crores in the previous year.

4. Earnings/(Loss) Before Interest, Taxation, Depreciation and Amortization ("EBITDA")

The focus in the financial year ended March 31, 2014 for the Company was to improve its profitability. The roadmap for all the business segments was driven at optimizing its operations and increasing the asset utilization to attain the said objective. Due to these efforts, EBITDA for the Company increased by about 23% to Rs. 614.30 Crores as against Rs. 500.63 Crores in the previous year.

5. Profit Before Depreciation, Amortisation and Taxation ("PBDT")

During the year, the PBDT was Rs. 49.25 Crores as compared to previous year cash loss of Rs. 63.72 Crores. The previous year was the only one in last 5 years during which the Company did not report a positive PBDT.



6. Net Loss

The Company's net loss (after taxes) reduced to Rs. 560.08 Crores from Rs. 658.77 Crores in the previous year.

7. Balance Sheet

The Shareholders Funds was Rs. 2,352.83 Crores (Negative) as at March 31, 2014 as compared to Rs. 1,792.75 Crores (Negative) as at March 31, 2013.

The total borrowing for the Company (including long term borrowing, short term borrowing and the current maturities of long term borrowing) was Rs. 6,576.54 Crores as against Rs. 6,296.02 Crores in the previous year. The increase in borrowings was mainly to support the capex of the Company as well as for some fresh investments made during the year.

The Net Block (including tangible as well as intangible assets) as at March 31, 2014 decreased to Rs. 4,517.88 Crores from Rs. 4,789.72 Crores in the previous year. The tight control on investments by the Company has resulted in fixed assets at similar levels as the previous year. The year-end Capital Work-in-Progress was reported at Rs. 37.62 Crores (previous year was Rs. 26.72 Crores).

L. Outlook

The outlook for the Company continues to be positive with the telecom sector continuing to offer opportunities, both in voice and data, to quality operators in the long run. The Company has set ambitious targets for the future and concentrated on a set of core themes: better asset productivity, revenue enhancement through an enhanced customer mix and continued focus of data and cost optimization.

Albeit a late entrant, the Company's GSM business has witnessed rapid growth driven by a focus on the High Value Customers ("HVC"), process improvement across business lines and brand strength. The growth in the GSM business shall

continue to be better than the decline in the CDMA business, which is stemming from shrinking CDMA ecosystem globally. The Company continues to focus on profitable revenue growth, with specific focus on data, tapping the growing data market.

While voice continues to be the mainstay for revenue today, future growth is expected to come more from data services. Despite the entry of 3G services through multiple operators, your Company continues to lead the data market for dongles with its highly successful High-Speed Internet Access Services ("HSIA") and 3G services under the Tata DOCOMO Photon brand.

To tap emerging opportunities in new generation services, the Company has formed a dedicated team to focus on non-voice services, which will be the driver of revenues and margins in the future. Several services have been launched already — home surveillance, smart tracking solutions, m-commerce and other machine-to-machine solutions. The changing needs of

customers will necessitate that the Company continue to evolve with the market if they are to truly provide value and remain competitive on a sustained basis.

With regards to cost optimization, the strategy revolves around redeploying assets from low potential areas to high potential regions and focus on generating higher revenues from data services. Your Company has increased its focus on the enterprise business over the last couple of years and is leveraging its relationship with its group company, Tata Communications Limited, which is the leading telecommunications player in India's Enterprise business. With the Indian economy expected to pick up, your Company's enterprise segment shall significantly benefit from its recent investments in the fixed-line, Wi-Fi and other product segments.

The Company has and shall continue to roll out necessary measures to realize this potential and stands steadfast in its resolve to be counted amongst the top 3 operators.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA TELESERVICES (MAHARASHTRA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Tata Teleservices (Maharashtra) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Saira Nainar
Partner

Mumbai, May 15, 2014

Membership No. 040081

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and

services and during the course of our audit we have not observed any major weakness in such internal control system.

- (vi) According to the information and explanations given to us, the Company has not entered into any contracts or arrangements which are required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Hence the provision of clause (vi) of the Order is not applicable to the Company.
- (viii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and The Cost Accounting Records (Telecommunication Industry) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in Crores)
The Income-tax Act, 1961	Income tax demand	Commissioner of Income Tax (Appeal)	AY 2006-07 to 2014-15	177.25
Finance Act	Service tax demand	Custom Excise & Service Tax Appellate Tribunal	April 2004 to March 2011	185.68
Finance Act	Service tax demand	Joint Commissioner Service Tax, Mumbai-II	2007-2012	0.89
Finance Act	Service tax demand	Additional Commissioner of Service Tax, Mumbai-II	FY 2009-10 to 2011-12	0.83
Finance Act	Service tax demand	Commissioner Service Tax, Mumbai-II	FY 2008-09 to 2011-12	66.61
Sales Tax Act	Sales Tax Demand	Joint Commissioner (Appeal) II	April 2001 to March 2004	0.09

- (xi) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, no guarantees have been given by the Company for loans taken by others from banks and financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have been used during the year for long-term investment to the extent of Rs. 1,789.00 crores.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which, in our opinion, is *prima facie* not prejudicial to the interest of the Company.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xix) According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Saira Nainar
Partner

Mumbai, May 15, 2014

Membership No. 040081

BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	1,954.93	1,897.20
(b) Reserves and surplus	4	(4,307.76)	(3,689.95)
		(2,352.83)	(1,792.75)
(2) Non Current Liabilities			
(a) Long-term borrowings	5	4,713.79	4,897.00
(b) Other long-term liabilities	6	22.63	66.86
(c) Long-term provisions	7	4.22	5.15
		4,740.64	4,969.01
(3) Current Liabilities			
(a) Short-term borrowings	8	1,422.43	1,071.91
(b) Trade payables	9	678.14	692.48
(c) Other current liabilities	10	697.92	759.82
(d) Short-term provisions	11	474.72	411.04
		3,273.21	2,935.25
Total		5,661.02	6,111.51
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	12		
(i) Tangible assets (Net Block)		3,123.53	3,246.18
(ii) Intangible assets (Net Block)		1,394.36	1,543.55
(iii) Capital work-in-progress		37.62	26.72
		4,555.51	4,816.45
(b) Long-term loans and advances	13	559.76	505.02
(2) Current Assets			
(a) Current Investments	14	-	50.35
(b) Inventories	15	4.44	3.19
(c) Trade receivables	16	252.31	291.68
(d) Cash and bank balances	17	21.65	86.46
(e) Short-term loans and advances	18	143.83	260.61
(f) Other current assets	19	123.52	97.75
		545.75	790.04
Total		5,661.02	6,111.51

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Saira Nainar
Partner

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

Nadir Godrej
(Director)

S. Ramadorai
(Director)

S G Murali
(Chief Financial Officer)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjunwala
(Director)

Koji Ono
(Director)

Bhaskar Chandran
(President - Legal, Regulatory &
Company Secretary)

Place: Mumbai
Date : May 15, 2014

Place: Mumbai
Date : May 15, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note No.	For the year ended March 31, 2014 Rs. in crores	For the year ended March 31, 2013 Rs. in crores
I. Income			
(a) Revenue from operations	20	2,731.18	2,634.54
(b) Other income	21	87.49	51.01
TOTAL REVENUE		2,818.67	2,685.55
II. EXPENSES			
(a) Employee benefits expenses	22	172.67	159.81
(b) Operating and other expenses	23	1,932.30	1,929.57
(c) Finance cost	24	565.05	564.35
(d) Depreciation and amortisation expenses	12	609.33	595.05
(e) Provision for contingencies	25	99.40	95.54
TOTAL EXPENSES		3,378.75	3,344.32
III. Loss for the year		(560.08)	(658.77)
IV. Earnings per share - Basic and Diluted (Rs.) (Refer note 38)		(2.86)	(3.37)
Par value (Rs.)		10.00	10.00

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Saira Nainar
Partner

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

Nadir Godrej
(Director)

S. Ramadorai
(Director)

S G Murali
(Chief Financial Officer)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjunwala
(Director)

Koji Ono
(Director)

Bhaskar Chandran
(President - Legal, Regulatory &
Company Secretary)

Place: Mumbai
Date : May 15, 2014

Place: Mumbai
Date : May 15, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	April 1, 2013 to March 31, 2014 Rs. in crores	April 1, 2012 to March 31, 2013 Rs. in crores
A Cash flows from operating activities		
Net Loss before tax	(560.08)	(658.77)
Adjustments for :		
Depreciation/Amortisation	609.33	595.05
Loss on fixed assets sold (Net)	4.89	7.85
Profit on redemption of units (Current investment)	(5.56)	(0.52)
Interest income	(2.26)	(7.34)
Excess provision / Sundry credit balances in respect of earlier years written back	(72.08)	(39.80)
Provision for doubtful debts and advances	45.47	58.35
Provision for contingencies (Refer note 40)	99.40	95.54
Finance cost	565.05	564.35
	<u>1244.24</u>	<u>1273.48</u>
Operating profit before working capital changes	684.16	614.71
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1.25)	0.62
Trade receivables	(6.10)	(45.27)
Short-term loans and advances	111.96	(82.73)
Long-term loans and advances	(33.70)	(84.57)
Other current assets	(26.47)	(34.58)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	55.64	46.89
Other current liabilities	(21.41)	150.52
Other long-term liabilities	(0.08)	(242.06)
Short-term provisions	(19.14)	3.39
Long-term provisions	(0.93)	0.63
Cash generated from operations	742.68	327.55
Taxes paid	(33.92)	(28.75)
Net cash generated from operating activities	708.76	298.80
B Cash flow from investing activities		
Purchase of fixed assets (including capital advances)	(326.77)	(469.18)
Proceeds from sale of fixed assets	3.89	3.85
Investment in / Maturity of term deposits (Net)	48.49	(48.50)
Cost of current investments	(1,660.80)	(366.28)
Sale of current investments	1,666.36	366.80
Interest received	2.96	7.26
Net cash used for investing activities	(265.87)	(506.05)
C Cash flow from financing activities		
Proceeds from long term borrowings	-	504.14
Repayment of long term borrowings	(384.11)	(304.07)
Current maturities of long term borrowings	105.58	129.60
Proceeds from short term borrowings	1,025.00	1,032.50
Repayment of short term borrowings	(915.00)	(687.50)
Proceeds / (Repayment) of acceptances and cash credit accounts (Net)	240.53	23.11
Finance cost paid	(581.56)	(539.75)
Net cash (used) / generated from financing activities	(509.56)	158.03
Net decrease in cash or cash equivalents	(66.67)	(49.22)
Cash and cash equivalents at the beginning of the year	88.31	137.53
Cash and cash equivalents at the end of the year	21.64	88.31
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and Bank Balances (Refer Note 17)	21.65	86.46
Less: Bank balances not considered as cash and cash equivalents as		
- In other deposit accounts (original maturity more than 3 months)	0.01	48.50
Add: Current investments considered as part of cash and cash equivalents (Refer Note 14)	-	50.35
Cash and cash equivalents at the end of the year	21.64	88.31

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Saira Nainar
Partner

Place: Mumbai
Date : May 15, 2014

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)
Nadir Godrej
(Director)
S. Ramadorai
(Director)
S G Murali
(Chief Financial Officer)

Place: Mumbai
Date : May 15, 2014

N. Srinath
(Managing Director)
Prof. Ashok Jhunjunwala
(Director)
Koji Ono
(Director)
Bhaskar Chandran
(President - Legal, Regulatory &
Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

Corporate Information

Tata Teleservices (Maharashtra) Limited ("the Company"), was incorporated on March 13, 1995. The Company is licensed to provide basic and cellular telecommunication services. The Company presently holds two Unified Access (Basic and Cellular) Service Licenses, one for Mumbai Service Area and another for Maharashtra and Goa and provides telecommunication services using Code Division Multiple Access (CDMA) technology/ Global System for Mobile Communications (GSM) technology under the aforesaid licenses. The Company also holds the National Internet Service provider – Internet Telephony license and 3G spectrum in Maharashtra and Goa circle (excluding Mumbai).

Note 2:

Significant Accounting Policies

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

c) Fixed Assets

Fixed assets are stated at their historical cost of acquisition or construction, less accumulated depreciation/ amortisation and impairment loss. Cost includes all costs incurred to bring the assets to their working condition and location (also refer note 32) and Site Restoration cost obligations where outflow of resources is considered probable.

Assets retired from active use and held for disposal are stated at lower of net book value and net realisable value.

Expenditure related to and incurred during the construction period of switches and cell sites are capitalised as part of the construction cost and allocated to the relevant fixed assets.

Capital inventory comprises switching equipment, field unit cards, and capital stores that are carried under capital

work-in-progress till such time they are issued for new installation or replacement.

The Company capitalises software and related implementation costs as intangible assets, where it is reasonably estimated that the software has an enduring useful life.

License fees paid by the Company for acquiring licenses to operate telecommunication / internet telephony services are capitalised as intangible assets.

Indefeasible Rights of Use ('IRU') bandwidth capacities by the Company are capitalised as intangible assets.

Assets acquired pursuant to an agreement for exchange of similar assets are recorded at the net book value of the assets given up, with an adjustment for any balancing receipt or payment of cash or any other form of consideration.

d) Depreciation

- i) Fixed assets are depreciated on a straight line basis, based on the following estimates of their useful economic lives :

	Useful Life (In years)
Buildings	60
Plant and Machinery	
- Network Equipment	12
- Outside Plant	18
- Air- Conditioning Equipment	6
- Generators	6
- Electrical Equipments	4-6
Computers	3
Office Equipments	3
Computer Software	3
Furniture and Fittings	3
Vehicles	5

Depreciation rates derived from the above are not less than the rates prescribed in Schedule XIV to the Companies Act, 1956.

- ii) Leasehold land and premises are amortised uniformly over the period of lease.
- iii) License fees are amortised uniformly over the original license period of 20 years / extended period as permitted by DoT, as applicable, from the date of commencement of operations. Since the Company has the intention of being in business for a period well beyond 10 years and the telecommunication business cannot be carried on without the Telecom license, the useful life of the asset will exceed the rebuttable presumption of 10 years under AS 26 on "Intangible Assets".
- iv) Indefeasible Right to Use ('IRU') bandwidth capacities by the Company are amortised over a period of fifteen years based on management estimate of useful life of the assets or period of the agreement whichever is lower.
- v) Depreciation on additions and deletions to assets during the year is charged to revenue pro rata to the period of their use.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- vi) The Company provides for obsolescence of its slow moving capital inventory by way of depreciation, at the rate of 33.33% p.a. of cost.

e) Foreign currency transactions and translations

- i. Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.
- ii. Foreign currency denominated assets and liabilities are reported as follows:
 - a) Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date. Non-monetary items such as fixed assets are carried at their historical rupee values.
 - b) Gains/losses arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognised in the statement of profit and loss, except for long term assets/liabilities which pertain to acquisition of fixed assets which are adjusted in the cost of fixed assets.
- iii. In case of forward exchange covers, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract except those relating to hedged long term liabilities which pertain to acquisition of fixed assets which are adjusted to the cost of fixed assets.

f) Derivative financial instruments

Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India (ICAI), the Company provides for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market. Any gains arising on such mark to market are not recognised as income.

g) Employee benefits

Retirement benefit costs are expensed to revenue as and when services are rendered by the employees.

Contributions to the provident and superannuation funds are made in accordance with the rules of the funds.

The Company participates in a group gratuity cum life assurance scheme administered by the Life Insurance Corporation (LIC). Provision for the year in respect of gratuity is made on the basis of actuarial valuation as at the end of the year.

Compensated absences are provided for on the basis of actuarial valuation as at the end of the year.

h) Revenue recognition

Revenue from telecommunication services is recognised as the service is performed on the basis of actual usage of the Company's network in accordance with contractual obligations and is recorded net of service tax. The amount charged to subscribers for specialised features which entitle them to access the network of the Company and where all other services and products are paid for separately, are recognised as and when such features are activated.

Unbilled revenues resulting from unified access services

provided from the last billing cycle date to the end of each period are estimated and recorded. Revenues from Unified Access Services rendered through prepaid cards are recognized based on usage by the customers during the year and over the validity period in case of upfront collection.

Income from rendering other operating services are recognised as the services performed.

Revenue is recognised when it is earned and no significant uncertainty exists as to its ultimate realisation or collection.

i) Borrowing costs

Costs of borrowing related to the acquisition or construction of fixed assets that are attributable to the qualifying assets are capitalised as part of the cost of such asset. All other borrowing costs are recognized as expenses in the periods in which they are incurred.

j) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

k) Operating Leases

Assets taken on lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses as incurred in accordance with the respective lease agreements.

l) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of all cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

m) Income Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income-tax Act, 1961.

Deferred income tax reflects the current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

n) Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

determine the extent of the impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

o) Investments

Current investments are carried at lower of cost and fair value. Long term investments are carried at cost. Provision

is made to recognise a decline other than temporary in the carrying amount of long term investments.

p) Contingent Liabilities

Provisions are recognized in respect of present probable obligations, the amount of which can be reliably estimated. Contingent Liabilities are disclosed in respect of possible obligations that may arise from past events whose existence and crystallization is confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company.

Note 3 :

Share Capital

a) Authorised, issued, subscribed and paid up Share Capital:

Authorised:

	As at March 31, 2014 Numbers	Rs. in crores	As at March 31, 2013 Numbers	Rs. in crores
Equity shares of Rs.10/- each with voting rights	2,500,000,000	2,500.00	2,500,000,000	2,500.00
	<u>2,500,000,000</u>	<u>2,500.00</u>	<u>2,500,000,000</u>	<u>2,500.00</u>

Issued, subscribed and paid up:

Equity shares of Rs.10/- each fully paid-up with voting rights	1,954,927,727	1,954.93	1,897,196,854	1,897.20
	<u>1,954,927,727</u>	<u>1,954.93</u>	<u>1,897,196,854</u>	<u>1,897.20</u>

b) Reconciliation of the number of shares outstanding:

Equity shares outstanding at the beginning of the year	1,897,196,854	1,897.20	1,897,196,854	1,897.20
Increase during the year	57,730,873	57.73	-	-
Decrease during the year	-	-	-	-
Equity shares outstanding at the end of the year	<u>1,954,927,727</u>	<u>1,954.93</u>	<u>1,897,196,854</u>	<u>1,897.20</u>

c) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

d) Details of equity shares held in the Company by each shareholder holding more than 5% shares

Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
	No of shares held	% of holding	No of shares held	% of holding
Tata Teleservices Limited	714,317,891	36.54	714,317,891	37.65
Tata Sons Limited	382,759,467	19.58	393,065,478	20.72
NTT Docomo Inc.	229,856,926	11.76	229,856,926	12.12
The Tata Power Company Limited	137,263,174	7.02	137,263,174	7.24

In order to comply with the Minimum Public Shareholding Threshold, the Company allotted 57,730,873 equity shares as fully paid up bonus shares on August 10, 2013 by utilisation of Security Premium Account pursuant to a resolution passed by the shareholders at the Extra Ordinary General Meeting held on July 29, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores		As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores
Note 4 :			Note 6 :		
Reserves and Surplus			Other Long-Term Liabilities		
(a) Securities Premium Reserve :			Others:		
Opening balance	583.16	583.16	(a) Deposits from customers and others	0.40	0.48
Less: Issue of Bonus Share	57.73	-	(b) Payables on purchase of fixed assets - Under usance letter of credit	22.23	66.38
Closing balance	525.43	583.16		22.63	66.86
(b) Deficit in Statement of Profit and Loss			Note 7 :		
Opening balance	(4,273.11)	(3,614.34)	Long-Term Provisions		
Add: Loss for the year	(560.08)	(658.77)	Provision for employee benefits		
Closing balance	(4,833.19)	(4,273.11)	For compensated absences	3.33	4.26
	(4,307.76)	(3,689.95)	Others:		
Note 5 :			For asset retirement obligation (site restoration cost)	0.89	0.89
Long-Term Borrowings				4.22	5.15
Secured			Note 8 :		
(a) Term Loans			Short-Term Borrowings		
- From banks (Gross)	2,994.37	3,272.90	(a) Secured		
Less: Current maturities of long term debt	383.73	278.15	From Banks		
	2,610.64	2,994.75	(i) Short-Term Loans	430.00	290.00
(b) External Commercial Borrowings (ECB)	2,103.15	1,902.25	(ii) Cash Credit Accounts	184.62	10.87
	4,713.79	4,897.00	(iii) Buyers' Credit	382.81	316.04
				997.43	616.91

Notes:

- (a) Term Loans from banks
- i) Stipulated securities for the loans are first pari pasu charge on the assets of the Company and one or more of the following as per terms of the arrangements with respective banks:
- by pledge of shares held by Tata Teleservices Limited in the Company,
 - by assignment of the proceeds on sale of network in the event of cancellation of the telecom license,
 - by assignment of telecom license,
 - by assignment of insurance policies and material project contracts,
 - by sponsor support undertaking of Tata Sons Limited
- ii) Terms of repayment :-
- Term loans from banks are repayable in 36 quarterly installments ending on 1st January, 2019
- iii) Interest rate :-
- Interest rate for rupee long term loan is in the range of 10.70% to 11.35 % p.a.
- (b) External Commercial Borrowings (ECB)
- i) Stipulated securities for the loans are first pari pasu charge on the assets of the Company and one or more of the following as per terms of the arrangements with respective banks:
- by pledge of shares held by Tata Teleservices Limited in the Company,
 - by assignment of the proceeds on sale of network in the event of cancellation of the telecom license,
 - by assignment of telecom license,
 - by assignment of insurance policies and material project contracts,
 - by sponsor support undertaking of Tata Sons Limited
- ii) Terms of repayment :-
- ECB loans are repayable in 3 annual installments commencing from 31st March, 2020
- iii) Interest rate :-
- Interest rate on ECB is linked to 6 months LIBOR + Spread (Spread not exceeding 4.2% p.a)

- (b) Unsecured
- (i) From Banks
- Short-Term Loans 425.00 415.00
 - (ii) Inter corporate deposits - 40.00
 -
 - 425.00 455.00
 - 1,422.43 1,071.91

Notes:

Short-Term Borrowings - Secured

- (a) Short-Term Loans
- i) Stipulated securities for the loans are first pari pasu charge on the assets of the Company
- ii) Interest rate :-
- Interest rate for rupee short term loan is in the range of 10.65% to 11.50 % p.a.
- (b) Cash Credit Accounts
- i) Stipulated securities for the loans are first pari pasu charge on the assets of the Company
- ii) Interest rate :-
- Interest rate for cash credit is in the range of bank base rate + 1.50 % to 3.50% p.a.
- (c) Buyers' Credit
- i) Stipulated securities for the loans are first pari pasu charge on the assets of the Company
- ii) Interest rate :-
- Buyers' credit is linked with LIBOR + Spread as applicable

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores		As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores
Note 9 :			Note 11		
Trade Payables			Short-term Provisions		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises (refer note 31)	0.22	0.27	Provision for employee benefits		
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	621.33	643.24	(a) For compensated absences	0.83	0.98
(c) Acceptances	56.59	48.97	(b) For gratuity	1.68	3.50
	<u>678.14</u>	<u>692.48</u>	Provision - Others:		
			(a) For contingencies	467.37	385.15
			(b) For wealth tax	0.01	0.01
			(c) For estimated loss on derivatives	4.83	21.40
				<u>474.72</u>	<u>411.04</u>
Note 10 :					
Other Current Liabilities					
(a) Current maturities of long term debt (refer note 5 (a))	383.73	278.15			
(b) Interest accrued but not due on loans	32.43	32.37			
(c) Income received in advance	61.97	65.13			
(d) Other payables :					
(i) Temporary overdrawn bank balances as per books	1.83	0.15			
(ii) Statutory liabilities	5.43	10.10			
(iii) Deposits from customers	51.55	66.80			
(iv) Payable on purchase of fixed assets					
- Under usance letter of credit	73.35	197.13			
- Other than under usance letter of credit	87.63	109.99			
	<u>697.92</u>	<u>759.82</u>			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12 :

FIXED ASSETS

Rs. in crores

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at April 1, 2013	Additions	Deletions	Effect of foreign currency exchange differences	As at March 31, 2014	Upto March 31, 2013	For the year	Deletions	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
(i) Tangible Assets											
Land											
Leasehold Land	7.11	-	-	-	7.11	1.54	0.11	-	1.65	5.46	5.57
Freehold Land	0.17	-	-	-	0.17	-	-	-	-	0.17	0.17
Office premises	6.86	-	-	-	6.86	1.90	0.12	-	2.02	4.84	4.96
Buildings	16.43	0.44	-	-	16.87	1.81	0.27	-	2.08	14.79	14.62
Plant and Machinery	6,216.30	109.45	281.27	219.57	6,264.05	3,003.81	448.12	277.41	3,174.52	3,089.53	3,212.49
(Refer Note (a) below)											
Furniture, Fixtures and Office Equipment	119.45	6.66	5.26	-	120.85	111.22	6.13	5.16	112.19	8.66	8.23
Vehicles	0.78	-	0.18	-	0.60	0.64	0.06	0.18	0.52	0.08	0.14
Total	6,367.10	116.55	286.71	219.57	6,416.51	3,120.92	454.81	282.75	3,292.98	3,123.53	3,246.18
Previous year	5,982.81	226.63	16.82	174.48	6,367.10	2,687.11	438.93	5.12	3,120.92		
(ii) Intangible Assets											
Licenses	2,183.03	-	-	-	2,183.03	740.16	142.54	-	882.70	1,300.33	1,442.87
Indefeasible Rights of Use ("IRU")	147.12	5.33	-	-	152.45	48.23	10.44	-	58.67	93.78	98.89
Computer Software	40.58	-	-	-	40.58	38.79	1.54	-	40.33	0.25	1.79
Total	2,370.73	5.33	-	-	2,376.06	827.18	154.52	-	981.70	1,394.36	1,543.55
Previous year	2,361.63	9.10	-	-	2,370.73	671.08	156.10	-	827.18		
(iii) Capital Work-In-Progress:											
Capital inventory [net of provision for obsolescence of Rs. 4.51 crores (previous year Rs. 6.61 crores)]										24.84	15.58
Assets under construction										12.78	11.14
									TOTAL	37.62	26.72
										4,555.51	4,816.45

Notes:

- (a) Refer note 32 regarding adjustment of foreign exchange differences on account of notification issued by Central Government.
- (b) Remaining amortisation period for License fees is -
 - for providing services using CDMA and GSM technology - 3.5 years (Previous Year 4.5 years)
 - for providing services using 3G technology - 16.25 years (Previous year 17.25 years)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores		As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores
Note 13 :			Note 17 :		
Long-Term Loans and Advances			Cash and Bank Balances		
Unsecured - considered good			(a) Cash and Cash Equivalents		
(a) Capital advances	2.61	15.49	(i) Cash in hand	0.22	0.15
(b) Premises and other deposits	52.63	54.26	(ii) Cheques on hand	0.47	0.36
(c) Prepaid expenses	1.28	2.70	(iii) Balance with banks in		
(d) Advance tax paid (Tax deducted at source)	109.48	75.56	- Current accounts	20.55	29.95
(e) Advance to suppliers	154.86	154.86	- Cash credit accounts	0.40	0.10
(f) Amount paid under dispute	238.90	202.15	- Term deposits with original maturity less than 3 months	-	7.40
	<u>559.76</u>	<u>505.02</u>		<u>21.64</u>	<u>37.96</u>
Note 14 :			(b) Other Bank Balances		
Current Investments (Un-quoted)			- Term deposits with original maturity more than 3 months but less than 12 months	0.01	48.50
(Valued at lower of cost and fair value)				<u>21.65</u>	<u>86.46</u>
Investments in Mutual Fund			Note 18		
{Previous year: SBI liquid fund (273,419.43 units with face value of Rs. 1,000/- each; fair value - Rs. 50.42 crores)}			Short-Term Loans and Advances		
	-	50.35	(Unsecured)		
	-	50.35	(considered good unless otherwise stated)		
Note 15 :			(a) Advances to employees	0.54	0.56
Inventory			(b) Balance with government authorities	61.35	83.56
(at lower of cost and net realisable value)			(c) Premises and other deposits	16.96	15.60
Traded goods - Starter Kits	4.44	3.19	(d) Advances to related parties (Refer note below)	-	50.39
	<u>4.44</u>	<u>3.19</u>	(e) Prepaid expenses	14.61	16.88
Note 16 :			(f) Advances to suppliers		
Trade Receivables			Secured	-	-
(Unsecured)			Unsecured	50.37	93.62
(a) Outstanding for a period exceeding six months from the date they were due for payment			Doubtful	2.87	2.87
- Unsecured considered good	16.50	23.25	Less : Provision for doubtful advances	2.87	2.87
- Doubtful	90.15	141.30		<u>50.37</u>	<u>93.62</u>
Less: Provision for doubtful trade receivables	90.15	141.30		<u>143.83</u>	<u>260.61</u>
	<u>16.50</u>	<u>23.25</u>	Note :		
(b) Others			Advances to related parties include :		
- Unsecured considered good	235.81	268.43	Tata Teleservices Limited	-	50.39
- Doubtful	9.20	15.73		-	50.39
Less: Provision for doubtful trade receivables	9.20	15.73			
	<u>235.81</u>	<u>268.43</u>	Note 19		
	<u>252.31</u>	<u>291.68</u>	Other Current Assets		
			(a) Unbilled debtors	40.12	79.86
			(b) Unamortised expenses		
			- Ancillary borrowing costs	0.84	5.04
			- Premium on forward contracts	22.77	12.15
			(c) Interest accrued on deposits	-	0.70
			(d) Amount paid under dispute	59.79	-
				<u>123.52</u>	<u>97.75</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	April 1, 2013 to March 31, 2014 Rs. in crores	April 1, 2012 to March 31, 2013 Rs. in crores		April 1, 2013 to March 31, 2014 Rs. in crores	April 1, 2012 to March 31, 2013 Rs. in crores
Note 20 :					
REVENUE FROM OPERATIONS					
(a) Telecommunication services			(c) License fees and spectrum charges	243.60	293.34
(i) Telephony	2,243.89	2,231.29	(d) Administrative and other expenses		
(ii) Internet services	130.01	111.78	(i) Rent	13.89	10.31
(iii) Interconnection usage charges	262.93	250.63	(ii) Rates and taxes	3.45	1.65
(iv) Sale of traded goods	12.60	14.46	(iii) Repairs and maintenance -others	13.63	13.16
	2,649.43	2,608.16	(iv) Travel and conveyance	8.59	11.38
(b) Other operating income			(v) Collection/credit verification charges	27.34	26.73
(i) Income from rendering of services	81.48	25.71	(vi) Customer service and call centre cost	134.37	112.26
(ii) Infrastructure sharing	0.27	0.67	(vii) Legal and profession fees	10.59	11.16
	81.75	26.38	(viii) Bad Debts written off	115.97	-
	2,731.18	2,634.54	(ix) Provision for Doubtful Debts written back	(115.97)	-
Note 21 :			(x) Provision for doubtful debts and advances	45.47	58.35
Other income			(xi) Insurance	0.01	0.01
(a) Excess provision / sundry credit balances in respect of earlier years written back	72.08	39.80	(xii) Loss on fixed assets sold / written off (Net)	4.89	7.85
(b) Interest income on term deposits with banks	2.26	7.34	(xiii) Miscellaneous expenses	50.48	43.11
(c) Profit on sale / redemption of units (Current investment)	5.56	0.52		312.71	295.97
(d) Miscellaneous receipts	7.59	3.35	(e) Marketing and business promotion expenses		
	87.49	51.01	(i) Advertisement and business promotion expenses	37.05	55.35
Note 22 :			(ii) Handset subsidy	14.65	26.48
Employee benefits expenses			(iii) Sales commission and expenses	68.75	81.48
(a) Salaries and bonus	156.47	143.11	(iv) Traded goods - starter kits		
(b) Contribution to provident and other funds	7.11	9.75	Opening stock	3.19	3.81
(c) Staff welfare	9.09	6.95	Add: Purchases	19.27	11.45
	172.67	159.81	Less: Closing stock	4.44	3.19
Note 23 :				18.02	12.07
Operating and other expenses				138.47	175.38
(a) Network operation costs				1,932.30	1,929.57
(i) Repairs and maintenance - plant and machinery	104.08	55.52	Note 24 :		
(ii) Power	200.65	189.84	Finance cost		
(iii) Rent	123.40	106.17	(a) Interest expense		
(iv) Rates and taxes	2.09	1.27	On Term loans	523.88	521.35
(v) Insurance	1.35	1.39	On Inter-corporate deposits	2.62	2.48
(vi) Infrastructure sharing cost	240.61	235.87	On Cash credit accounts	3.13	6.56
(vii) Miscellaneous	35.46	37.15	On Acceptances	4.80	18.72
	707.64	627.21	On Others	1.90	0.06
(b) Interconnection and other access costs	529.88	537.67	(b) Expenses for loan arrangement, bill discounting and bank charges	13.19	16.29
			(c) Foreign exchange fluctuations (Net)	15.53	(1.11)
				565.05	564.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25 Contingent liabilities and commitments

	As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores
I) Commitments:		
Estimated amount of contracts for tangible assets remaining to be executed on capital account and not provided for (net of advances)	45.58	113.65
II) Contingent Liabilities		
i) Claims against the company not acknowledged as debt		
Telecom regulatory matters* (Refer notes below)	460.55	309.10
Others **	314.43	314.08
Bank guarantees	249.34	251.13
Counter guarantees given by the Company on behalf of group company	-	39.00

Counter guarantees have been given by the Company in the ordinary course of business and no liability is expected to accrue in this respect.

Notes:

Contingent liabilities in respect of telecom regulatory matters include:

- a) Bharat Sanchar Nigam Limited (BSNL) issued demand notices to pay Access Deficit Charge (ADC) aggregating Rs.166.90 crores, including interest, for the period November 14, 2004 upto February 28, 2006, the date after which ADC is payable on Net Adjusted Gross Revenue Basis. The demands stated that 'fixed wireless' services provided by the Company under the brand name "WALKY" had mobility features and should be treated as mobile services for the purpose of Interconnect Usage Charges Regulations and ADC was payable on such calls. The Company filed a petition before the Hon'ble Telecom Dispute and Settlement Appellate Tribunal (TDSAT) in this regard, wherein the TDSAT disallowed the Company's petition and held that ADC is payable. Thereafter, Company filed an appeal before the Hon'ble Supreme Court (SC) who vide order dated April 30, 2008 confirmed that ADC was payable and since there were claims and counter-claims between the Company and BSNL, the SC directed that quantification of amounts payable to

each other be made by TDSAT. The Company had filed a review petition in SC which was rejected.

The Company filed a petition in TDSAT to determine / reconcile amounts payable to each other and TDSAT vide its order dated August 12, 2008 held that BSNL and the Company should exchange relevant information and reconcile the differences. However, on April 15, 2010, TDSAT confirmed BSNL demands for period up to August 25, 2005 and has given BSNL liberty to lodge its claim for a further period up to February 28, 2006. The Company's appeal before SC against the aforesaid TDSAT order dated April 15, 2010 was admitted by the SC vide its order dated July 23, 2010 but no stay has been granted. The SC had asked for details / break up of demands which have been filed. The Company has also filed stay application in the SC.

Out of the aforesaid Rs.166.90 crores, the Company, has, till date, provided for amounts aggregating Rs. 60.88 crores pertaining to ADC for the period from August 26, 2005 upto February 28, 2006. The balance amounts aggregating Rs.106.02 crores have been disclosed as Contingent Liability under 'Others'.

Payments made till date aggregates Rs 111.61 crores (previous year - Rs 111.61 crores) in relation to the above.

- b) The Company had received a demand letter dated March 17, 2008 from Wireless Planning Commission division (WPC) of Department of Telecommunications (DoT) for Rs.8.38 crores, being a demand for spectrum charges for the period from April 1, 2005 to February 29, 2008. This demand was subsequently revised to Rs.184.69 crores by DoT, vide its demand letters dated July 3, 2008, for the period from October 1, 1998 to June 30, 2008 which was further increased to Rs. 266.00 crores vide letter dated February 28, 2009. The amount was again revised to Rs. 259.70 crores vide letter dated November 25, 2009 for the extended period till November 30, 2009. The Company had represented to WPC various items of differences mentioned in the demand orders, vide letter dated September 24, 2008. Though the Company had received a revised demand of Rs. 111.25 crores from DoT on January 3, 2013, Hon'ble TDSAT vide its order dated August 25, 2010 has held that the Company should be given credit for all payments made on producing proof and no penalty should be levied and only simple interest should be charged. The Company has been following up the matter with WPC and had also filed an execution petition before Hon'ble TDSAT on 27th April 2012. TDSAT has asked the Company to file the application as a miscellaneous petition which was filed and has been admitted. The Company has filed its reply to the revised demand note. The demand is not in line with TDSAT order mentioned above. The WPC has additionally raised in March 2013, demands for the financials years 2009-10, 2010-11 and 2011-12 aggregating Rs. 11.26 crores. The Company has sought details from WPC on the aforesaid demands. The next date of hearing is in July 2014.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company in March 2014 paid Rs. 15.47 crores computing the liability without penalty and simple interest on the principal amount.

- c) The definition of Adjusted Gross Revenue (AGR) does not specifically include capital gain from sale of shares/securities and does not specifically allow exemption for bad debts in computation of License Fees (LF) payable to the Government. The TDSAT had vide its Order dated August 30, 2007, held that income from sale of securities is not related to licensed activity and hence should not attract LF and that bad debts written off, waivers and discounts are actual monies lost by service providers and hence should be deducted from AGR. The DoT had filed an appeal in SC against the aforesaid TDSAT Order.

The Company has considered Rs.154.86 crores, being the LF on profit on sale of investment and bad debts written off during an earlier year, as contingent liability and has also made payment of the same to DoT under protest. However, as a matter of abundant caution, the Company, during the year allocated Rs. 154.86 crores of provision for contingencies made in earlier year towards this contingency. Refer note 40 on provision for contingencies.

The SC vide its Order dated October 11, 2011 has set aside the Order passed by TDSAT and has given leave to the licensees to approach TDSAT in case if specific demands have been raised by DoT not in accordance with the License Agreement.

Prior to the aforesaid judgment, the Company had received provisional assessment orders from DoT, against which applications have now been filed with the TDSAT in line with the aforesaid judgment and further the replies and rejoinders were also filed by DoT and TTML respectively. TDSAT restrained DoT from taking any coercive steps for enforcement of any impugned demands without its permission. The Company has not received any further demands on this matter.

- d) During financial year 2012-13, the Company received a show cause notice (SCN) from DoT based on special audit conducted for the financial years 2006-07 and 2007-08, towards alleged short payment of license fees and interest thereon aggregating Rs. 52.11 crores. The Company had replied to DoT against the SCN in the previous year. The Company in November 2012 received a demand from DoT. The Company has filed a petition before TDSAT against the demand. The matter was heard by TDSAT and TDSAT granted stay and restrained DoT from taking coercive action. TDSAT has commenced final hearing in the matter in May 2014.
- e) The Company in October, 2013 received a circular from DoT directing all operators to include certain items contested (as not being covered under the definition of Adjusted Gross Revenue) and to re-compute Gross Revenue / Adjusted Gross Revenue for the financial years 2006-07 to 2012-13 as per the guidelines in the circular. COAI and AUSPI responded with a joint industry reply in October 2013 seeking withdrawal of the circular considering pendency of

cases in various forums. DoT has not reverted on this matter.

- f) A demand for Rs. 290.17 crores for start up spectrum beyond 2.5MHz, being a one time spectrum charges claimed for the period from January 1, 2013 till the date of expiry of the license, was received from the DoT. The Company has filed a writ petition in the Bombay High Court against the demand and obtained a stay order. The Company has undertaken (written to DoT conveying its intent) to surrender 1.25 MHz of CDMA spectrum after retaining 1.25 MHz of spectrum over and above start up spectrum of 2.5 MHz in Mumbai and to surrender the spectrum beyond 2.5 MHz in Maharashtra. Pursuant thereto, the Company has paid under protest two installments of Rs. 29.90 crores each and also completed the surrender of spectrum in Mumbai and Maharashtra under protest.

	As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores
ii) Disputed income tax demands with respect to tax deducted at source and other matters in appeals before relevant authorities	101.13	26.03
iii) Notices received from Service Tax authorities:		
Show cause notices	68.32	26.28
Demand notices	186.68	127.17
iv) Sales Tax	0.09	0.09
v) The Company has imported capital equipments under "Export Promotion of Capital Goods Scheme" of the Central Government at a concessional rate of Customs Duty. The Company has undertaken Export Obligation (EO) to the extent of USD 100.8 millions (Rs. 415.35 crores), excluding the fixed wireless phones/terminals equipments, to be fulfilled during a period of 8 years commencing from January 29, 2003, failing which the Company will be liable to pay the differential customs duty. The Licensee can exercise option twice to extend the obligation period for fulfilling its export obligation. To the extent the Company fails to fulfill export obligations even within the extended period, the Company would be liable to pay the differential customs duty along with interest and penalties, as imposed. As against the export obligations of Rs 415.35 crores, the Company has till date fulfilled the export obligation to the extent of Rs.122.05 crores (previous year Rs 95.53 crores). In this regard, Company has disclosed an amount of Rs. 36.63 crores (previous year 39.98 crores) under contingent liabilities. The Company has exercised option for extension of time for fulfilling the obligations in respect of the licenses.		

For discharge of EO, Foreign Trade Policy permits Company to fulfill its EO through sharing of exports undertaken by Group Company. Company has applied to the DGFT, Mumbai, for fulfilling its EO against exports undertaken by Tata Consultancy Services (TCS) as a Group Company. Currently, the matter is sub-judice before the Hon'ble Bombay High Court.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- vi) As regards disputes and claims referred to above against the Company, appropriate competent professional advice is available with the Company based on which, favorable outcomes are anticipated and no liability is expected to accrue to the Company.

26 Payments to Auditors (excluding service tax)

	2013-14 Rs. in crores	2012-13 Rs. in crores
i) For audit (including quarterly audits)	0.51	0.43
ii) For taxation matters	0.05	0.05
iii) For other services	0.08	0.08
iv) For reimbursement of expenses	0.01	0.02
	<u>0.65</u>	<u>0.58</u>

27 Value of imports on CIF basis in respect of:

	2013-14 Rs. in crores	2012-13 Rs. in crores
Capital goods	18.31	42.66

28 Expenditure in Foreign Currency (Accrual basis) on account of :

	2013-14 Rs. in crores	2012-13 Rs. in crores
Interest	104.32	117.21
Royalty	0.94	2.11
Other matters (Including international outroaming charges)	1.77	2.85
	<u>107.03</u>	<u>122.17</u>

29 Value of capital inventory consumed during the year :

	2013-14 Rs. in crores	%	2012-13 Rs. in crores	%
Spare parts - indigenous	0.17	100.00	0.51	100.00

30 Earnings in foreign exchange

	2013-14 Rs. in crores	2012-13 Rs. in crores
Other income (International inroaming revenue)	6.23	8.63

- 31 Information regarding the total outstanding dues of Micro Enterprises and Small Enterprises in Note 9 is given to the extent the same is available with the Company.

- 32 Pursuant to the notification issued by the Central Government extending the applicability of amendment to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' upto March 31, 2020, which provides an option for adjustment of foreign exchange gain / loss arising on long term foreign currency borrowings against the carrying value of related fixed

assets, the Company has continued to exercise the option and has adjusted exchange loss aggregating Rs.219.57 crores for the year ended March 31, 2014 (Previous year Rs. 174.48 crores) against the carrying value of fixed assets. The balance amount, based on the aforesaid adjustments, of plant and machinery to be amortised, as at the year-end, aggregates Rs. 550.22 crores (Previous year Rs. 387.19 crores).

33 Derivatives

- i) Outstanding derivatives :

	As at March 31, 2014 USD in millions	Rs. in crores	As at March 31, 2013 USD in millions	Rs. in crores
a) Forward contract	95.49	573.77	91.66	498.16
b) Currency options for hedging of foreign currency exposure	-	-	0.87	4.75
	<u>95.49</u>	<u>573.77</u>	<u>92.53</u>	<u>502.91</u>

- c) Interest rate swaps

	350.00	2,103.15	350.00	1,902.25
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- ii) The mark to market loss on outstanding derivative contracts as at the year-end aggregate Rs. 4.83 crores (Previous year - Rs. 21.40 crores)

- iii) The foreign currency exposure that are not hedged by derivative instruments:

	As at March 31, 2014 USD in millions	Rs. in crores	As at March 31, 2013 USD in millions	Rs. in crores
Vendor payables	3.30	19.82	53.00	288.04
External commercial borrowings	350.00	2,103.15	350.00	1,902.25
	<u>353.30</u>	<u>2,122.97</u>	<u>403.00</u>	<u>2,190.29</u>

- 34 The disclosure as required under AS 15 regarding the Employee benefits is as follows:

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 4.17 crores for the year ended 31 March, 2014 for Provident Fund contributions, Rs 0.42 crores for the year ended 31 March, 2014 for Superannuation Fund contributions and Rs 0.05 crores for the year ended 31 March, 2014 for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Defined benefit plans

The Company offers the following employee benefit schemes to its employees

- Gratuity (included as part of line item (b) in Note 22 Employee benefits expense)
- Long-term compensated absences (included as part of line item (b) in Note 22 Employee benefits expense)

The Company offers the gratuity under employee benefit schemes to its employees

Rs. in crores

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Components of employer's expense		
Current service cost	1.36	1.30
Interest cost	0.79	0.61
Expected return on plan assets	(0.62)	(0.53)
Actuarial losses/(gains)	(1.24)	1.46
Total expense recognised in the Statement of Profit and Loss	0.29	2.84
Actual contribution and benefit payments for the year		
Actual benefit payments	1.75	1.23
Actual contributions	1.44	1.34
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	8.47	10.60
Fair value of plan assets	6.79	7.10
Funded status [Surplus / (Deficit)]	(1.68)	(3.50)
Net asset / (liability) recognised in the Balance Sheet	(1.68)	(3.50)

Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	9.92	7.13
Current service cost	1.36	1.97
Interest cost	0.79	0.61
Liability transferred in	-	0.64
Liability transferred out	-	(0.22)
Actuarial (gains) / losses	(1.86)	1.70
Benefits paid	(1.74)	(1.23)
Present value of DBO at the end of the year	8.47	10.60

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Change in fair value of assets during the year		
Plan assets at beginning of the year	7.10	6.21
Expected return on plan assets	0.62	0.53
Actual company contributions	1.44	1.35
Actuarial gain / (loss)	(0.62)	0.24
Benefits paid	(1.75)	(1.23)
Plan assets at the end of the year	6.79	7.10
Actual return on plan assets	-	0.78
Composition of the plan assets is as follows:		
Others (INSURER MANAGED FUNDS)	6.79	7.10
Actuarial assumptions		
Discount rate	9.29%	8.00%
Expected return on plan assets	8.70%	8.70%
Salary escalation	6.50%	6.50%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Performance percentage considered		
Estimate of amount of contribution in the immediate next year	2.75	3.74

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Experience adjustments

Rs. in crores

Gratuity	Year ended 31 March, 2014	Year ended 31 March, 2013	Year ended 31 March, 2012	Year ended 31 March, 2011	Year ended 31 March, 2010
Present value of DBO	8.47	9.92	7.13	6.84	5.35
Fair value of plan assets	6.79	7.10	6.21	5.27	3.73
Funded status [Surplus / (Deficit)]	(1.68)	(2.83)	(0.92)	(1.57)	(1.63)
Experience (gain) / loss adjustments on plan liabilities	(1.08)	0.66	(0.60)	0.21	0.08
Experience gain / (loss) adjustments on plan assets	(0.62)	0.24	0.05	0.48	(0.30)

Actuarial assumptions for long-term compensated absences		
Discount rate	9.29%	8.00%
Expected return on plan assets	0.00%	0.00%
Salary escalation	6.50%	6.50%

Note 35

Related party disclosure

(in terms of Accounting Standard - 18)

i) Details of all related parties and their relationships

A Investing Companies

- 1 Tata Sons Limited - (Ceased to be an investing company w.e.f. August 10, 2013)
- 2 Tata Teleservices Limited - Associate

B Key Management Personnel

- 1 Mr. N.Srinath - Managing Director

ii) Details of transactions with Related Parties

Rs. in crores

For the year ended March 31, 2014	Investing companies		Total
	Tata Sons Limited*	Tata Teleservices Limited	
	1	2	
1) Expenses :			
- Salary	-	15.38	15.38
- Customer Service and Call Centre Cost	-	7.54	7.54
- Advertisement and Business promotion expenses	-	17.67	17.67
- Network operation cost	0.01	14.84	14.85
- Administrative and Other Expenses	-	12.21	12.21
- Interconnection and Other access costs	-	217.75	217.75
- Inter-circle roaming expenses	-	19.66	19.66
2) Income :			
- Rent	-	1.80	1.80
- Rendering Telecom Services	0.17	16.35	16.52
- Interconnect Income	-	23.57	23.57
- Inter-circle roaming revenue	-	16.60	16.60
3) Reimbursement of Expenses	-	4.73	4.73
4) Purchase of Fixed Asset	-	19.67	19.67
5) Outstanding as at March 31, 2014 :			
Sundry Debtors		1.58	1.58
Sundry Creditors		20.97	20.97
Security Deposits Taken		1.73	1.73

* Ceased to be an investing company w.e.f. August 10, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 35

Related party disclosure (in terms of Accounting Standard - 18)

ii) Details of transactions with related parties

Rs. in crores

For the year ended March 31, 2013	Investing companies		Fellow Subsidiaries (up to March 26, 2013)											
	Tata Sons Limited (Ultimate holding company upto March 26, 2013)	Tata Teleservices Limited (Fellow subsidiary upto March 26, 2013)	Viom Infra Networks (Maharashtra) Limited (Formerly known as 21st Century Infra Tele Limited)	Tata Internet Services Limited	Tata Business Support Services Limited	Tata Consultancy Services Limited	Tata Housing Development Company Limited	Tata Realty & Infrastructure Limited	Tata AIG Life Insurance Company Limited	Tata AIG General Insurance Company Limited	Tata Sky Limited	CMC Limited	Tata Asset Management Limited	Tata Securities Limited
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
★ 1) Expenses :														
- Salary	-	12.62	-	-	-	-	-	-	-	-	-	-	-	-
- Customer Service and Call Centre Cost	-	4.73	-	-	13.07	55.58	-	-	-	-	-	-	-	-
- Advertisement and Business promotion expenses	-	22.61	-	-	-	-	-	-	-	-	-	-	-	-
- Network operation cost	0.01	15.07	125.33	-	-	0.01	-	-	-	-	-	-	-	-
- Administrative and Other Expenses	-	2.41	-	1.31	-	-	-	-	-	-	-	-	-	-
- Rent	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-
- Interconnection and Other access costs	-	212.82	-	-	-	-	-	-	-	-	-	-	-	-
- Infrastructure Sharing Cost	-	-	98.43	-	-	-	-	-	-	-	-	-	-	-
★ 2) Income :														
- Rent	-	2.02	-	-	-	-	-	-	-	-	-	-	-	-
- Rendering Telecom Services	0.31	20.89	0.01	+	2.98	18.32	0.81	0.14	1.09	1.56	1.27	0.92	0.53	0.18
- Interconnect Income	-	30.54	-	-	-	-	-	-	-	-	-	-	-	-
★ 3) Reimbursement of Expenses	-	5.83	-	-	-	-	-	-	-	-	-	-	-	-
4) Purchase of Fixed Asset	-	5.88	-	-	-	-	-	-	-	-	-	-	-	-
5) Outstanding as at March 31, 2013 :														
Sundry Debtors	0.11	1.58												
Sundry Creditors	+	-												
Loans and Advances	-	50.39												
Security Deposits Taken	-	1.73												
Security Deposits Given	-	-												

Since the figures are less than the denominations disclosed, the figures do not appear

Figures above are inclusive of Service Tax where ever applicable

Others include

Ewart Investments Limited

Tata International Limited

Tata Autocomp Systems Limited

Advirus Therapeutics Private Limited

Smart Value Homes Private Limited

Tata Industrial Services Limited

MMP Mobi Wallet Payment Systems Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 35

Related party disclosure (in terms of Accounting Standard - 18)

ii) Details of transactions with related parties

Rs. in crores

For the year ended March 31, 2013	Fellow Subsidiaries (up to March 26, 2013)												Key Management Personnel		
	Infiniti Retail Limited	e-Nxt Financials Limited	Tata Consulting Engineers Limited	Tata Petrodyne Limited	Computational Research Laboratories Limited	Tcs E-Serve Limited	TC Travel And Services Limited	Tata Capital Limited	Tata Investment Corporation Limited	Tata Advanced Systems Limited	Viom Networks Limited (Formerly known as Wireless TT Info Services Limited)	Drive India Enterprise Solutions Ltd	Others	Managing Director	Total
★ 1) Expenses :	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
- Salary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.62
- Customer Service and Call Centre Cost	✚	-	-	-	-	-	-	-	-	-	-	-	-	-	73.38
- Advertisement and Business promotion expenses	-	-	-	-	-	-	-	-	-	-	-	11.96	-	-	34.57
- Network operation cost	-	-	-	-	-	-	-	-	-	-	12.49	-	-	-	152.91
- Administrative and Other Expenses	0.03	-	-	-	-	-	0.42	-	-	-	-	0.62	-	-	3.48
- Rent	-	-	-	-	-	-	-	-	-	-	-	1.55	-	-	2.86
- Interconnection and Other access costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	212.83
- Infrastructure Sharing Cost	-	-	-	-	-	-	-	-	-	-	22.44	-	-	-	120.87
★ 2) Income :															
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.02
- Rendering Telecom Services	1.14	2.13	0.37	0.07	0.05	1.72	-	2.80	0.03	✚	0.16	0.32	1.07	-	58.87
- Interconnect Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30.54
★ 3) Reimbursement of Expenses															
4) Purchase of Fixed Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.83
5) Outstanding as at March 31, 2013 :															5.88
Sundry Debtors															1.69
Sundry Creditors															-
Loans and Advances															50.39
Security Deposits Taken															1.73
Security Deposits Given															-

★ Since the figures are less than the denominations disclosed, the figures do not appear

★ Figures above are inclusive of Service Tax where ever applicable

★ Others Include

★ Ewart Investments Limited

Tata International Limited

Tata AutoComp Systems Limited

Advinus Therapeutics Private Limited

Smart Value Homes Private Limited

Tata Industrial Services Limited

MMP Mobi Wallet Payment Systems Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36 The Company is engaged in providing telecommunication services under Unified Access License. These, in the context of AS 17 on "Segment reporting", are considered to constitute a single reportable segment. Further, the Company provide telecommunication services only in the Indian domestic market and accordingly secondary segment reporting disclosure are not required.

37 (a) Operating lease rent expenses for the year in respect of lease agreements entered from April 1, 2001.

	Apr'13 - Mar'14 Rs. in crores	Apr'12 - Mar'13 Rs. in crores
Residential flats for accommodation of employee	0.24	0.13
Cell sites and others	377.66	352.22

(b) Future Minimum Lease Payments under Non-Cancellable Operating Lease :

	As at March 31, 2014 Rs. in crores	As at March 31, 2013 Rs. in crores
Due not later than one year	152.39	167.95
Due later than one year and not later than five years	343.25	489.04
Due later than five years	388.18	657.31

The agreements are executed for a period ranging from 6 months to 15 years with a renewable clause and in many cases also provide for termination at will by either party giving a prior notice period ranging between 30 to 90 days.

38 Earnings per share data

	Apr'13 - Mar'14 (Rs. in crores)	Apr'12 - Mar'13 (Rs. in crores)
i) Loss after Tax	(560.08)	(658.77)
ii) Weighted average number of shares outstanding	1,954,927,727	1,954,927,727
iii) Nominal Value of Equity Shares (Rs.)	10.00	10.00
iv) Basic and Diluted Earnings per Share (Rs.)	(2.86)	(3.37)

39 No provision for current income tax is required to be made as, on the basis of the company's computations, there is no taxable income. The Company also carries forward accumulated losses resulting into tax loss carry forward situation. The Company launched its unified access services only during year ended March 31, 2004 and is eligible for a tax holiday under section 80IA of the Indian

Income-tax Act, 1961, beginning with the financial year in which the telecommunication services were commenced.

Though the Company is confident of generating profits in the future, the accounting standard requires virtual certainty to reverse the tax loss carry forwards beyond the tax holiday period for recognition of asset. Accordingly, deferred tax assets have not been considered for accounting on carry forward losses. Further, no deferred tax liabilities or assets on account of temporary timing differences have been recognised since they will reverse in the tax holiday period.

40 The following table sets forth the movement in the provision for contingencies:

Rs. in crores					
Sr. No.	Description	As at April 1, 2013	Additions during the year	Amounts used / reversed	As at March 31, 2014
1	Provision for Contingencies	385.15 (289.61)	99.40 (95.54)	(17.18) -	467.37 (385.15)

a. Figures pertaining to the previous year have been disclosed in brackets.

b. Provision for contingencies are primarily towards the outstanding claims / litigations against the Company relating to Department of Telecommunication (DoT) and other parties.

41 The accumulated losses of the Company at the close of the year have exceeded its paid-up capital and reserves due to the high operation costs and on account of the industry being inherently capital intensive. However, the Company is consistently making operating cash profits over the past few years.

The Company has successfully launched services using GSM technology and 3G services in earlier years with added focus on acquiring revenue earning subscribers. The Company has also introduced measures for operational efficiency to enable optimal use of facilities and resources. The Company has already tied up and is utilizing sanction limits from banks besides availing additional long term funding through External Commercial Borrowings (ECBs) to support the ongoing expansion plans.

Accordingly, based on the aforesaid considerations, the Company is confident of it's ability to continue it's business as a going concern and the accounts have been prepared on that basis.

42 The figures of the previous year have been regrouped / reclassified wherever necessary to correspond with those of the current year's classification / disclosure.

Signatures to Notes '1' to '42'

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

Nadir Godrej
(Director)

S. Ramadorai
(Director)

S G Murali
(Chief Financial Officer)

Place: Mumbai
Date : May 15, 2014

N. Srinath
(Managing Director)

Prof. Ashok Jhunjhunwala
(Director)

Koji Ono
(Director)

Bhaskar Chandran
(President - Legal, Regulatory & Company Secretary)

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