

IDEA CELLULAR LIMITED

(An Aditya Birla Group Company)

Registered Office: Suman Tower, Plot No. 18, Sector-11, Gandhinagar - 382 011, Gujarat

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of Idea Cellular Limited will be held on Thursday, the 26th day of December, 2013 at 11:30 a.m. at Cambay Spa and Resort, Plot No. X-22/23 GIDC Electronic Estate, Sector 25, Gandhinagar – 382 044, Gujarat, to transact the following special business:

1. Increase in aggregate investment limit of Foreign Institutional Investors

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

“RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, as amended (“FEMA”), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the notified sections of the Companies Act, 2013 as on September 12, 2013 (the “Notified Sections”), the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) and all other applicable acts, rules, regulations, provisions, circulars and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to approvals, permissions, and sanctions of the Foreign Investment Promotion Board, the Government of India, Reserve Bank of India and any other regulatory authorities, if required and such conditions as may be prescribed by any of the said authorities while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to increase the investment limit on total holdings of Foreign Institutional Investors (“FIIs”)/Securities and Exchange Board of India approved sub-account of FIIs from 24% to 49% of the paid-up equity share capital of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including delegating all or any of the powers conferred herein to any Director or officer of the Company.”

2. Increase in Remuneration of the Managing Director

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

"RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting held on September 28, 2011 and, pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), read with Schedule XIII of the said Act (including any statutory modifications or re-enactments thereof for the time being in force), the notified sections of the Companies Act, 2013 (2013 Act) as on September 12, 2013 and all other applicable guidelines relating to managerial remuneration issued by the Central Government from time to time and subject to such other approvals, as may be required, the consent of the Company be and is hereby accorded to the revision/increase in ceiling amount of various components of remuneration such as Basic Salary, Special Allowance and Variable Pay, payable to Mr. Himanshu Kapania, Managing Director of the Company, with effect from 1st July, 2012 as under:-

- (i) Basic Salary: Revision in the ceiling amount of the monthly Basic Salary from ₹ 10,00,000/- (Rupees Ten Lacs only) to ₹ 20,00,000/- (Rupees Twenty Lacs only) per month;
- (ii) Special Allowance: Revision in the ceiling amount of the monthly Special Allowance from ₹ 12,00,000/- (Rupees Twelve Lacs only) to ₹ 20,00,000/- (Rupees Twenty Lacs only) per month;
- (iii) Variable Pay: Revision in the ceiling amount of Performance Bonus linked to achievement of targets and/or Long Term Incentive Compensation (LTIC) and/or any other compensation from ₹ 2,00,00,000/- (Rupees Two Crore only) to ₹ 5,00,00,000/- (Rupees Five Crore only) per annum;

as may be decided by the Board of Directors from time to time with consequential / corresponding variation / increase in the other components of remuneration linked to aforesaid components of the remuneration payable to Mr. Himanshu Kapania, Managing Director, subject however, to the limits prescribed under Section 198, 309, Schedule XIII and all other applicable provisions of the Act or 2013 Act, with other terms and conditions of his appointment remaining the same, as approved by the shareholders at the Annual General Meeting of the Company held on September 28, 2011.

RESOLVED FURTHER THAT action taken by the Company, if any, in paying remuneration to Mr. Himanshu Kapania, Managing Director, higher than that fixed by the shareholders vide resolution passed at the Annual General Meeting held on September 28, 2011, be and is hereby approved and ratified."

By order of the Board
For Idea Cellular Limited



Pankaj Kapdeo
Company Secretary

Date : November 26, 2013

Place : Mumbai

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business as set out at Item No. 1 and 2 of the Notice is annexed hereto.
3. Corporate Members intending to depute their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.
4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays and Sundays between 11.00 a.m. to 1.00 p.m., upto the date of the ensuing Extraordinary General Meeting and will also be available for inspection at the Meeting.
5. Members who hold shares in dematerialised form are requested to bring their Client Id and DP Id numbers for easy identification.
6. Members/ Proxies are requested to bring their copy of the Notice for the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 1

Increase in aggregate investment limit of Foreign Institutional Investors

Under the provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time, the aggregate investment by Foreign Institutional Investors ("FII's"), including SEBI approved sub-accounts of FIIs is capped at 24% of the paid-up equity share capital of the Company ("FII Cap"). However, the FII Cap can be increased upto the sectoral cap / statutory ceiling with the approval of the Board followed by passing a Special Resolution to that effect by its members with prior intimation to the Reserve Bank of India.

The FIIs have assumed a crucial role in the Indian capital market. Currently, the aggregate investment of FIIs in the Company is approximately 17.95% of the paid-up equity share capital. In order to facilitate further FII investments considering the increased participation by FIIs in the equity shares of the Company in the recent past and the fact that the Company has an enabling resolution to raise funds through issuance of equity shares through a Qualified Institutions Placement as per applicable SEBI Regulations, the Board believes it to be prudent to seek the approval of the shareholders of the Company to increase the FII Cap to 49% of the paid-up equity capital of the Company.

The Board accordingly recommends the resolution as set out in Item No. 1 of the accompanying Notice for your approval.

None of the Directors of the Company are in any way, concerned or interested in the proposed resolution.

Item No. 2

Increase in Remuneration of the Managing Director

Mr. Himanshu Kapania was appointed as the Managing Director of the Company for a period of five years with effect from April 1, 2011. The appointment and the remuneration was approved by the members at the Annual General Meeting of the Company held on September 28, 2011. As per the terms of appointment of Mr. Himanshu Kapania, the annual increment to the remuneration payable to him falls due effective 1st July, every year.

Significant growth in the size and complexity of the business of the Company, the remuneration structure/ existing trend in the telecom industry in India, remuneration drawn by comparable peers in other Industry, his profile, position, experience, qualification and above all his outstanding performance, justifies suitable increase in the remuneration payable to the Managing Director. The Board of the Directors of the Company has been annually effecting increase in the remuneration payable to Mr. Himanshu Kapania, the Managing Director of the Company, the last such increase being effective from 1st July, 2012. The next increase in remuneration of Mr. Kapania, when approved by the Board of Directors of the Company, would become effective from 1st July, 2013. As the ceilings fixed for

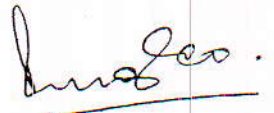
various components of remuneration payable to Mr. Kapania by shareholders vide resolution passed at the Annual General Meeting held on September 28, 2011, have been exceeded by the Board while approving the increase to the remuneration in 2012 (an abstract under section 302 of the Act in respect of which has already been circulated to the Shareholders) and any future increase in remuneration payable to him cannot be approved and effected without the approval of Shareholders. Hence, the Board accordingly recommends the resolution as set out in agenda Item No. 2 of the accompanying Notice for your approval.

None of the Directors of the Company, except Mr. Himanshu Kapania, is concerned or interested in the proposed resolution.

Date : November 26, 2013

Place : Mumbai

By order of the Board
For Idea Cellular Limited



Pankaj Kapdeo
Company Secretary

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