IDEA CELLULAR LIMITED

(An Aditya Birla Group Company)

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

To,

The Members
Idea Cellular Limited

ABSTRACT OF TERMS OF APPOINTMENT AND MEMORANDUM OF CONCERN OR INTEREST UNDER SECTION 302 OF THE COMPANIES ACT, 1956

The Board of Directors of Idea Cellular Limited ***(the Company)*** at its meeting held on 24th January, 2011 has appointed Mr. Himanshu Kapania as the Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2011, subject to approval of the members of the Company and the approval of the Central Government, required if any, for payment of the remuneration.

Mr. Himanshu Kapania aged 49 years, joined the Company in September 2006 and is currently in charge of all the telecom circles of the Company in the Southern and Western region of India. He holds a Bachelor's Degree in Electrical Engineering from Birla Institute of Technology, Ranchi and has also done Post Graduate Diploma in Management (Marketing) from IIM, Bangalore. Mr. Kapania has rich and varied knowledge of the Telecom Industry and of the competitive landscape in India.

In compliance of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment of Mr. Himanshu Kapania as the Managing Director of the Company together with the Memorandum of concern or interest is set out below: -

Terms of Appointment:

A. Period

5 (Five) years with effect from 1st April, 2011 with liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration

i) Basic Salary: Rs. 6,80,000/- (Rupees Six Lac Eighty Thousand only) per month with such increments as the Board / Committee of the Board may decide from time to time, subject however to a ceiling of Rs. 10,00,000/- (Rupees Ten Lac only) per month.

ii) Special Allowance: Rs. 5,78,850/- (Rupees Five Lac Seventy Eight Thousand Eight Hundred and Fifty only) per month with such increments as the Board / Committee of the Board may decide from time to time, subject however to a ceiling of Rs. 12,00,000/- (Rupees Twelve Lac only) per month.

iii) Variable Pay: Performance Bonus linked to achievement of targets and / or Long Term Incentive Compensation (LTIC) and / or any other compensation as may be decided by the Board / Committee of the Board from time to time, subject to a maximum of Rs. 2,00,00,000/- (Rupees Two Crore only) per annum.

iv) Long Term Incentive Opportunity: As per norms of the Company that may be decided by the Board / Committee of the Board from time to time.

C. Perquisites

i) Housing: Free furnished accommodation and reimbursement of other expenses for the upkeep and maintenance thereof, as per the Rules of the Company or House Rent Allowance @ 50% of Basic Salary in lieu of Company provided accommodation.

ii) Reimbursement of expenses on actuals, pertaining to gas, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of such accommodation, as per Company policy.

iii) Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the Rules of the Company.

iv) Medical Expenses: Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) for self and family at actuals.

v) Club Fees: Fees for one club in India.

vi) Cars: Company maintained two cars, as per the Rules of the Company.

vii) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the Rules of the Company.

viii) Leave and encashment of Leave: As per the Rules of the Company.

ix) Personal Accident Insurance: As per the Rules of the Company.

x) Contribution to Provident Fund, Superannuation Fund or Annuity Fund: As per the Rules of the Company.

xi) Gratuity and / or contribution to the Gratuity Fund of the Company: As per the Rules of the Company.

xii) Other Allowances / benefits / perquisites: Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board / Committee of the Board may from time to time decide.

xiii) Any retiral linked allowances and benefits that the Board / Committee of the Board may at its discretion decide and authorise at the time of retirement.

The value of perquisites shall be evaluated as per Income-tax Rules, wherever applicable, and at cost in the absence of any such Rule.

The aggregate of the remuneration and perquisites, as aforesaid in any financial year shall be subject to the limits prescribed from time to time under Section 198, 309, 310 and all other applicable provisions of the Companies Act, 1956, (the Act) read with Schedule XIII to the said Act or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

The Board of Directors (which term shall be deemed to include any committee constituted / to be constituted by the Board) are authorised to revise the remuneration and perquisites payable to Mr. Himanshu Kapania from time to time.

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and perquisites shall be paid or given to Mr. Himanshu Kapania subject to the applicable provisions of Schedule XIII to the said Act.

So long as Mr. Himanshu Kapania functions as the Managing Director of the Company, he shall not be subject to retirement by rotation and shall not be paid any sitting fees for attending the meetings of the Board of Directors of the Company or any Committee(s) thereof.

Memorandum of concern or interest:

No Director of the Company is concerned or interested in the said appointment.

By order of the Board
For Idea Cellular Limited

Kapdeo

Pankaj Kapdeo
Company Secretary

Date: January 31, 2011
Place: Mumbai