



HQ/CS/CL.24B/14550
29 May 2011

Sir,

Sub. : Minutes of Extraordinary General Meeting 2011 of shareholder.

Pursuant to Clause 31(d) of the Listing Agreement, please find sent herewith the Minutes of the Extraordinary General Meeting, of shareholders held on 27 April 2011.

Thanking you,

Yours faithfully,
For Tata Communications Limited

Rishabh Aditya
Deputy Company Secretary & VP

To:

- 1) Security Code 23624, The Stock Exchange, Mumbai. Fax No.(22) 22722037,39,41
- 2) Security Code 5251, The Asst. Manager (Listing), National Stock Exchange of India Limited. Fax Nos.: (22) 26598237/38.

TATA COMMUNICATIONS

Tata Communications Limited
Plot C 21 & C 36 'G' Block Bandra Kurla Complex, Mumbai 400 098 India
Regd. Office : VSB Mahatma Gandhi Road Fort Mumbai - 400 001 India
Tel 91 22 6659 1966 Fax 91 22 6725 1962 website www.tatacommunications.com

HELD AT _____ ON _____ TIME _____

**TATA COMMUNICATIONS LIMITED**

An Extraordinary General Meeting ("EGM") of Tata Communications Limited was held at 1000 hours on Wednesday, 27 April 2011, at MC Ghia Hall, Bhogilal Hargovindas Building, Second Floor, 18/20 Kaikhushru Dubash Marg, Kalaghoda, Mumbai – 400001.

The following Directors were present:

Mr. Subodh Bhargava (Chairman)

Mr. Vinod Kumar

Mr. Srinath Narasimhan

Mr. K.A. Chaukar

54 shareholders were present in person and 21 were represented by proxy. Mr. Soumitra Mandal, Director (PSU-II), DoT (HQ), New Delhi, being the representative of the President of India, was also present. Mr. Kishor Chaukar represented Panatone Finvest Limited.

2. The Company Secretary briefed the Shareholders on the security and safety measures at the venue. Thereafter, in pursuance of Article 49 of the Articles of Association of the Company, the Company Secretary requested the Chairman of the Board to take the Chair and informed him that that quorum was present.

3. The required quorum being present, the Chairman called the meeting to order. The Chairman then introduced the Directors on the dais. The Chairman informed the Shareholders that 3 Letters of Authority representing 65.95% of the paid-up capital and 24 proxies representing 7.03% of the paid-up capital have been received. The Register of Proxies and the Letters of Authority were placed on the table and were available for inspection. With the concurrence of the members present, the Notice of the EGM was taken as read.

4. The Chairman, thereafter, briefly addressed the Meeting as follows:

"I welcome all those present for the EGM. As you know this meeting is being held to seek your consent to the Scheme of Amalgamation (Scheme) of Tata

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Communications Internet Services Limited (TCISL), the wholly owned subsidiary of Tata Communications Limited (TCL), with its parent, TCL. TCISL will make the application to Bombay High Court for sanction of the Scheme after Shareholders' approval. This meeting is called to obtain your consent to the Scheme.

Before I seek your consent to the Scheme, let me give you briefly the background and the rationale for the Scheme.

The Company erstwhile known as VSNL was the pioneer to introduce internet services in India, dial-up for retail customers and then broadband etc. The Retail Business Unit (RBU) of TCL was hived-off from TCL into TCISL effective 1 March 2007 with a view to consolidate the retail business and potentially unlock value by bringing in additional investors in this business. This outlook and the strategy were linked to TCISL successfully bidding for spectrum in the Broadband Wireless Access (BWA) spectrum auction held during May-June 2010.

Consequent to the failure to acquire spectrum on account of successful bids being at prices considered unviable as per Management projected business case, the purpose of the RBU hive-off into a 100% subsidiary did not remain valid anymore. Under the revised strategy, it is now intended to step-up the focus on the small and medium businesses (SMBs) and approach the market led by a portfolio of business applications and value added services for the SMB sector. The management and the Board have considered the new strategy and are confident that the best way to achieve the goals would be by consolidating this business into TCL which has been offering the same to large enterprises and therefore the Board of TCL and TCISL have thought fit to merge this business unit back into the Parent. Accordingly, the Board of Directors of the Company, on 13 January 2011 approved, subject to the requisite approval of the shareholders, sanction of the High Court of Judicature at Bombay, the Bombay Stock Exchange and The National Stock Exchange of India Limited, and of such other authorities as may be required under applicable laws, regulations, listing agreements, and guidelines issued by regulatory authorities; merger of TCISL with TCL vide Scheme of Amalgamation placed as Attachment A to the Notice of this EGM.

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As the entire issued, subscribed and paid up share capital of TCISL is held by TCL, upon amalgamation, TCL would not be required to issue and allot any shares to the shareholders of TCISL. The Shares so held by TCL shall stand cancelled and extinguished pursuant to the implementation of the Scheme.

The 'net worth' of TCISL as on the appointed date of merger, i.e. 1 April 2010 is Rs 16.42 Crore. Subsequently, TCISL has incurred further losses of Rs. 44.21 Crores for the period April – December 2010.

I would now request the support of the Shareholders to the above Scheme. I would be happy to clarify any queries which the shareholders may have with regard to the proposal."

5. The Chairman then took up the item on the day's Agenda. Mrs. Ashalata Maheshwari proposed and Mr. TM Davar seconded the following resolution as a **Special Resolution** -

RESOLUTION NO. I

"RESOLVED THAT pursuant to the provisions of Sections 391 – 394 and all other applicable provisions of the Companies Act 1956 and other applicable laws, regulations, listing agreements, and guidelines issued by any regulatory authorities, if any, and subject to the approval of the Hon'ble High Court of Judicature at Bombay or any other appropriate authorities, the Scheme of Amalgamation among Tata Communications Internet Services Limited ('TCISL' or 'Applicant Company') wholly owned subsidiary of Tata Communications Limited ('TCL'), and TCL and their respective shareholders for amalgamation of TCISL with TCL, be and is hereby approved."

"RESOLVED FURTHER THAT Mr. Vinod Kumar, Managing Director and CEO, and/or Mr. Satish Ranade, Company Secretary & Chief Legal Officer and/or Mr. Sanjay Baweja, Chief Financial Officer be jointly and/or severally authorized on behalf of the Company to make such alterations modifications, or amendments therein as may be expedient or necessary for complying with requirements or conditions imposed by the Hon'ble High Court of Judicature at Bombay and for

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any other appropriate authorities."

6. At this stage, the Chairman invited the shareholders to present any queries they might have. The following shareholders addressed the meeting as follows:

1. Mrs. Ashalata Maheshwari

- Stated that the decision for merger of TCISL with TCL was timely and prudent since the objects of the transferor and transferee companies can be conveniently, advantageously and economically carried out by a single entity.
- Enquired about the total cost and expenses to be incurred for the merger and the total number of employees post merger.
- Stated that the demerger of surplus land issue had always been mentioned in the annual reports and the Chairman has explained the matter in all shareholders' meetings. Despite, there being full transparency in the matter, she wondered about the reasons for the sudden controversy appearing in the newspapers.
- Requested the President's nominee to communicate to the Government about her view that the name of Tatas should not be linked for any delays on the land issue.
- Appreciated the secretarial team for preparing and presenting a transparent and informative notice for the EGM.
- Supported the resolution.

2. Mr. Joseph Martin

- Supported the resolution.

3. Mr. Michael P. Martins

- Enquired whether TCISL was listed on any stock exchange.
- Enquired about the costs involved in the earlier demerger of RBU into TCISL and the costs involved in merging TCISL with TCL.
- Requested the Chairman to give the Company's stand on the demerger of surplus land issue.

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4. Mr. TM Davar

- Stated that TCISL being a 100% subsidiary of TCL, the merger could have been done without the Shareholders' approval but since Government has a 26% holding in the Company, the management must have felt that it would be better to obtain Shareholders' approval.
- Enquired that since this is not a court convened meeting of the Shareholders, whether voting would be done through show of hands or through ballot.
- Enquired about the costs involved in the earlier demerger of RBU in to TCISL and the costs involved in merging TCISL with TCL.
- Enquired about the future plans of the Company with respect to the internet business.
- Enquired about the total employee strength of TCISL and whether their jobs would be protected after the merger.
- Requested the Chairman and the President's nominee to throw light on the demerger of land issue.
- Supported the resolution.

5. Mr. Prakash Vijaykar

- Wanted to know the name of the solicitor who is advising the Company on the merger.
- Enquired about the cost of the merger and the effect of the merger on the profits of the Company.
- Enquired about how the inter company debts would be adjusted.
- Stated that the notice and the Scheme mention the word Act in many places but there is no clarity as to which act is referred to by the word Act.
- Supported the resolution.

6. Mr. Beruz F. Pouredahi

- Asked why the EGM is being held so late since the Board had approved the merger on 13 January 2011.
- Enquired about the benefits the Shareholders are going to get out of the merger.

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- Enquired why TCISL could not get the spectrum licenses while other telecom companies have got the licenses.
- Enquired about the costs of the merger.
- Opposed the resolution.

7. Mrs. C.E. Mascarenhas

- Enquired about the benefits the Shareholders are going to get out of the merger.
- Enquired about the effect on share price of the Company due to the merger.
- Requested the President's nominee and the Company to speed up the process for demerger of surplus land.
- Supported the resolution.

8. Mr. P.K. Agnihotri

- Stated that since the Government was holding 26% and Tatas are holding about 50% of the paid-up capital, the Government should not blame only the Tatas for delay in solving the surplus land issue.
- Supported the resolution.
- Suggested that TTML and TTSL should also be merged with TCL to reward the Shareholders.

9. Mr. Adil P

- Suggested that the Company should write a letter to the Shareholders stating that Tatas should not be blamed for the delay in resolving the surplus land issue.
- Enquired as to who paid for the shares issued by TCISL and from where the money for those shares came from and was it because of that the Shareholders were not paid dividend in FY 2009-10.
- Enquired whether there is a conflict of interest between TCISL, TTSL and TTML as all of them are providing internet services.
- Enquired as to why TCISL was not sold to TTSL and TTML so that the Shareholders of TCL could get some consideration for the sale.

10. Mr. Aspi Bhesania

- Enquired as to why no court convened meeting was held for the merger.

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- Enquired about the cost of hiving off of RBU in TCISL and the cost of merger under consideration and who would bear the cost.

The Chairman replied to the queries raised by the Shareholders as follows:

Reason for RBU hive off in TCISL and current merger proposal of TCISL with TCL

The RBU was demerged into TCISL because TCL was focussed largely on large enterprises and being a carrier of carriers. TCL does not have any retail face in telecommunications space except for the internet services. The strategic perspective at that time was that the retail business unit which addresses the individuals and the households would focus on retail business so that it could grow and that is why the Company introduced services and technology beyond dial-up the Wimax and the Broadband . The RBU then was not necessarily doing extremely well and was part of a business vertical which was also managing many other services like enterprise data etc and therefore the focus on RBU was not that sharp. Hence, to increase the focus on RBU it was then hived off into TCISL. With the opportunity of the spectrum auction the company believed that it should participate in the auction and grow in the retail space. The prices at which spectrum were auctioned as per TCISL's business case did not justify the costs and the future alone will determine whether your management's assessment was right or not. The market environment changed with conclusion of the 3G and WBA spectrum auction. The retail users expected faster services. Not having the WBA spectrum, the RBU does not appear to have significant growth potential. On the other hand, the Company believes that there is an opportunity in India for the small and medium businesses which are now also looking beyond the simple internet connections for solutions such as value added services, applications etc. The Company intends to address this market. TCISL has the infrastructure consisting of last mile access in various geographies in the country, connectivity etc. In order to expand the enterprises business to small and medium businesses, sharper focus and synergistic processes are essential. TCISL has 300 employees who have technical expertise and they know the job. We could have wound up TCISL or bring the business back to TCL and synergize the existing enterprise business of TCL with the business of TCISL. TCL has competencies in terms of product

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development, infrastructure, technology etc. and TCISL has access in various places for last mile and has market information. Putting these competencies together the Company believes it will be able to serve efficiently and competitively the SMBs which is a very important segment today in the growing economy of the country. By integrating, there will be lower operating costs and SMBs will have better access to technology. If the Company is able to address the SMB segment in an efficient and effective manner, there would be scope of expansion and increased revenues for the Company.

Effect of Merger on the financials of the Company

The Chairman stated that the consolidated balance sheet of the Company will not be affected by the merger. The financial year 2009-10 consolidated audited results of the Company included the bottom line of TCISL. Therefore, the question of whether dividend would be affected or was affected by this merger is not relevant. TCISL had a total carry forward loss for FY 2009-10 of Rs.290 crores and in FY 2010-11 the total carry forward loss is likely to be about Rs.330 crores which would be adjusted against the reserves of TCL and not in the Profit and Loss Account.

Cost of earlier hive-off of RBU and cost of merger of TCISL

The cost of hive off was approximately Rs.25 lakhs and the cost of merger now would be approximately Rs.40 lakhs.

No. of employees in TCISL

The Chairman stated that TCISL has approximately 300 employees and all of the employees would be taken in TCL and there would not be any separation of employees due to the merger.

The term "Acts" under the Scheme

The Chairman stated that the Scheme itself defines the relevant Act which is the Companies Act. Therefore, the same has not been repeated in each paragraph.

Advisers to the Scheme

The Chairman stated that the advisers to the Scheme are M/s. Ernst & Young and the solicitors of the Company are M/s. ANS Law Associates. The application to the High Court would be made by TCISL and not TCL.

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Shareholders of TCISL

The Chairman clarified that TCISL is a 100% subsidiary of TCL and therefore there are no other shareholders of TCISL except TCL. The Chairman further clarified that TCISL was not listed on any stock exchange and the entire assets and liabilities of TCISL will be transferred to TCL balance sheet.

Revenues of TCISL

The Chairman stated the revenues of TCISL were Rs.288.5 crores as per the last audited balance sheet.

Timing of the EGM

The Chairman stated that the EGM was scheduled on this date, partly due to regulatory requirements, that is for complying with approximately 35 days notice period and partly due to process involved, time availability and workload at various places. It is expected that the Company will be able to get the Court clearance in time for incorporating the merger in the balance sheet without extending the period for holding the AGM of TCL.

Demerger of Surplus Land.

The Chairman explained that there are three issues appearing recently in the news – the 2G scam, the delay in solving the surplus land issue and who is responsible for the delay. He stated that as far as the 2G scam is concerned, TCL is not a part of the story. In respect of surplus land, the Chairman stated that many of the Shareholders have in the past also enquired about the progress and the status in this matter at each and every AGM. As advised earlier also, the Company has been pursuing the Government requesting urgent resolution of the issue. A draft scheme of demerger was sent by Panatone to the Company and the Government in March 2005. The said scheme was discussed at a meeting of the TCL Board held in April 2005. The TCL Board had raised few queries and had sought clarification from the Government of India regarding the liability to pay capital gains tax, stamp duty etc. and had also asked the Government to ensure keeping the Company unharmed financially and legally, keeping in view the fact that the Government at one stage said that the Company should bear those expenses. The Company communicated

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to the Government that the Company is only the custodian of the surplus land without any beneficial ownership rights and therefore the Company cannot be expected to bear any of the expenses when it will not be getting any benefit of the demerger. The emerging entity which will be the beneficiary should bear those expenses. The Company also insisted that the intended demerger of assets should be declared legally valid. The Chairman further stated that the communication to the above effect was followed up several times with the Government. The Government in August 2006 responded stating that all the matters raised by the Company's Board are under consideration and the decision would be conveyed as and when taken. The Chairman further stated that this was the last substantial communication received from the Government to the Company.

In the meantime, there had been exchange of many letters, meetings and discussions. The Government had also sent a delegation of senior officers who visited the sites of surplus land at all locations and to the best of the Company's knowledge, reported that there are no encroachments or usage of the surplus land by TCL or anybody else. The Chairman informed the Shareholders that the Company has been incurring expenses on maintenance and security of the surplus land and in his view such expenses should be reimbursed to TCL by the resultant entity. The Chairman stated that the Company is still waiting for a response from the Government on the issues raised as above. The Chairman stated that allegations and counter allegations of delay etc will not serve the purpose which is to solve the matter. It is in the Company's interest that the surplus land is separated from the Company so that the Company can move ahead in raising equity since as advised to us the Government is not in a position to give go ahead for equity expansion until the land issue is resolved. The Chairman empathised with that outlook of the Government but stressed that the issue needs to be resolved as soon as possible.

The Chairman informed that Panatone even formed the resultant entity and informed the Government asking them to take over the control of the resultant company. The issue still remains to be resolved.

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The Chairman reiterated that the Company is totally committed to demerge the land and the government nominees on the Board of the Company and Panatone are also equally committed to resolve the issue but somewhere in the procedures and processes the issue has got bogged down. The Chairman expressed hope that the news reports may lead to sharper focus of all those who matter for resolving the issue. The Chairman hoped that the media reports will put enough pressure on the processes and procedures so that the issue gets untangled and resolved.

The Chairman then requested Mr. Chaukar, representative of Panatone and Mr. Soumitra Mandal, representative of the President of India, to share with the Shareholders any information on the land issue that they may like to share.

Mr. Chaukar stated that Tatas are not dragging their feet as resolution of the land issue is in the interest of other shareholders and the Company as TCL is in need of further equity capital. Since Tatas hold a little more than 50% interest in the Company, any adverse impact on TCL affects the investments of Tatas in TCL. Mr. Chaukar added that all correspondences about the proposals given, who should bear the costs etc. are on record with the Government and the Government has to take a decision on them. Mr. Chaukar concluded by saying that he cannot say something significantly more than what Chairman has already stated to the Shareholders on the land issue.

Mr. Soumitra Mandal, President's Representative, stated that with respect to the merger of TCISL with TCL, the Government Nominee directors on TCL's Board have already cast their affirmative votes. Regarding the land issue, Mr. Mandal stated that he is not authorised to speak on the issue and added that the Government was in the process of appointing a consultant who would advise the Government as to what needs to be done with the land. An expression of interest (EOI) was floated by the Government in the month of February 2011, a pre-bid conference was held in March 2011 and the last date for submission of the EOI was on 25 April 2011. However, Mr. Mandal stated that he is not authorized to disclose the number of bids received and any other details of the bid. He assured that the Government is taking all necessary efforts in resolving the issue.

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7. The Chairman thanked Mr. Chaukar and Mr. Mandal for addressing the Shareholders. The Chairman thereafter stated that as per the Companies Act of 1956, the voting can be done by show of hands. However, to conduct the meeting as close as possible to a court convened shareholders' meeting, voting will be done through poll.

The Chairman then appointed Mr. Beruz F. Pouredéhi, a shareholder and Mrs. C.E. Mascarenhas, a shareholder as the scrutinizers for the poll. The Chairman adjourned the meeting for the poll process.

Thereafter, poll was conducted and the scrutinizers submitted their report to the Chairman.

The Chairman reconvened the Meeting and declared the results of the poll as follows:

Sr. No.	Particulars	Results of the Poll
1.	Total number of ballot papers received	56
2.	Total number of ballot papers representing shareholders voting either in person or in proxy or through representatives in Favour of the Resolution	52
3.	Total number of ballot papers representing shareholders voting either in person or in proxy Against the Resolution	4
4.	Total number of votes cast in favour of the resolution	20,87,41,105
5.	Total number of votes cast against the resolution	54
6.	Percentage of Shareholders voting in favour of the resolution	99.999%
7.	Percentage of Shareholders voting against the resolution	0.0001%

The Chairman declared the resolution passed by majority.

8. After the Vote of Thanks to the Chair, the Chairman declared the proceedings as concluded.

Place: Mumbai.

Date: 20 MAY 2011


Approved