

A N N U A L ♦
12 R E P O R T
 1 9 9 7 - 9 8 ♦

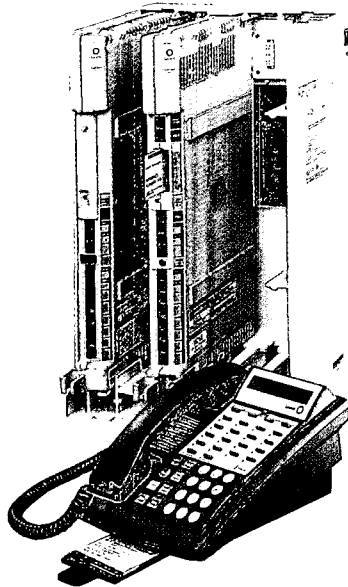
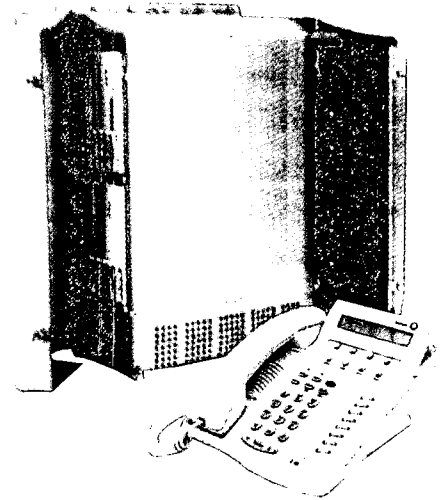
MD	☒		BKC	☒
CS	☒		DPY	☒
RO	☒		DIV	☒
TRA	☒		IC	☒
AGM	☒		SH	☒
YE	☒			

Report  junction.com

TATA
TELECOM

TECHNOLOGY FOR THE FUTURE WORLD

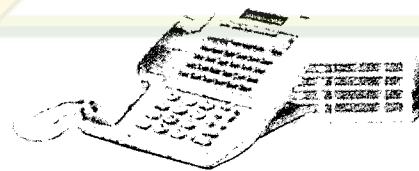
DEFINITY Prologix
Business Communication System



PARTNER
Key Telephone System



Report  junction.com



PARADIGM PLUS
India's Largest
Selling EPABX



TECHIES '97
Tata Telecom voted the
BEST Telecom Company
and Definity Business
Communication System the
BEST EPABX.



TATA TELECOM LIMITED

DIRECTORS

H. N. SETHNA
K. M. GHERDA
D. B. ENGINEER
C. P. SHAH
B. B. DUBASH
N. N. KAMPANI
D. S. PENDSE
V. K. GUPTA
R. VENKATARAGHAVAN
Brig. K. BALASUBRAMANIAM
H. B. SCHACHT
M. J. BUTCHER
D. J. LOVATT
C. G. GOLDER

Chairman
Resigned effective 28/04/98
Resigned effective 28/04/98
Resigned effective 28/04/98
Resigned effective 28/04/98
Resigned effective 28/04/98

Managing Director Resigned effective 21/12/97
Non executive director
Resigned effective 28/04/98
Appointed effective 21/12/97
Appointed effective 21/12/97
Appointed effective 21/12/97

VICE PRESIDENT - FINANCE and COMPANY SECRETARY

RAVI PANDIT

AUDITORS

M/s. C. C. CHOKSHI & CO.
Chartered Accountants

LEGAL ADVISOR

S. R. VAKIL

REGISTERED OFFICE

Bornbay House,
24, Homi Mody Street,
Mumbai 400 001.

CORPORATE OFFICE

Shri Pratap Udyog, 4th Floor,
274, Captain Gaur Mang
Srinivas Puri,
New Delhi 110 065.

WORKS

E-1/1, Gandhinagar Electronics Estate,
Gandhinagar 382 044 (Gujarat).

Kanjikode West,
Palakkad 678 623.

BANKERS

BANK OF INDIA
AMERICAN EXPRESS BANK LTD.
BANK OF BARODA
CANARA BANK
STATE BANK OF TRAVANCORE
CREDIT AGRICOLE INDOSUEZ
THE LAKSHMI VILAS BANK LTD.

REGIONAL OFFICES AND BRANCHES

AHMEDABAD, BANGALORE, BARODA,
CALCUTTA, CHANDIGARH, CHENNAI,
DELHI, HYDRABAD, HYDRABAD,
JAMNAR, JAMNAR, LUCKNOW,
MUMBAI, RAIPUR, PUNE.

SERVICE CENTRES

ALLAHABAD, CHANDIGARH,
COCHIN, COIMBATORE, GUWAHATI,
INDORE, JAMMU, JODHPUR, KANPUR,
KOTA, LUDHIANA, NOIDA, PUNE,
SURAT, TRIVANDRUM, VIZAG.

1997-98

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF TATA TELECOM LIMITED will be held on Tuesday, September 1, 1998 at 4.00 p.m. at the Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai 400 001, to transact the following business:

1. To receive and adopt the Directors' Report and the audited Profit and Loss Account for the year ended March 31, 1998 and the Balance Sheet as at that date.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. D. S. Pendse who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. D. J. Lovatt, who was appointed a Director of the Company pursuant to Article 152 of the Articles of Association of the Company to fill the casual vacancy on the Board caused by the resignation of Mr. D. B. Engineer and who, pursuant to Section 262 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting but is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956.

5. **Appointment of Mr. H. B. Schacht as a Director:**

To appoint a Director in place of Mr. H. B. Schacht who was appointed an Additional Director of the Company by the Board of Directors with effect from 29th June, 1998, and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and Article 151 of the Articles of Association of the Company, but is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder proposing his candidature for the office of Director.

6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting and to fix their remuneration.
7. **Amendments to the Articles of Association:**

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

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

(A) Insert the following Article as Article 7A after Article 7:

Issue of Shares without voting rights 7A. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

(B) Insert the following Article as Article 68A after Article 68:

Buy Back of Shares 68A. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or

1997/98



NOTICE CONCERNING

and the following information subject to the provisions of the Companies Act 1985 and the Companies (Tables) Regulations 1985.

(1) In the event of the company being wound up, the following provisions shall apply:

(a) The company shall be wound up as a company limited by shares.

(b) The company shall be wound up as a company limited by shares.

(c) The company shall be wound up as a company limited by shares.

(d) The company shall be wound up as a company limited by shares.

(e) The company shall be wound up as a company limited by shares.

(f) The company shall be wound up as a company limited by shares.

(g) The company shall be wound up as a company limited by shares.

REPORT JUNCTION.COM

(h) The company shall be wound up as a company limited by shares.

(i) The company shall be wound up as a company limited by shares.

(j) The company shall be wound up as a company limited by shares.

(k) The company shall be wound up as a company limited by shares.

(l) The company shall be wound up as a company limited by shares.

1997-98

NOTICE (Contd.)

securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents	(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	(7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with in a Depository	(8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive numbers of Securities held in a Depository	(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register and Index of Beneficial Owners	(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

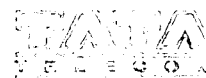
8. Buy-Back of Shares/Securities:

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

"RESOLVED that if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Equity Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Equity Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding such percentage of the capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law."

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Equity Shares or other Securities."

1997-98



NOTICE (Contd.)

"RESOLVED FURTHER that nothing hereinabove contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Equity Shares or Securities."

9. Employees' Stock Option Scheme:

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

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue, allocate or allot, in one or more tranches, to such persons who are, in the sole discretion of the Board, in the permanent employment of the Company and to the Managing-Whole-time Directors of the Company, such number of Equity Shares of the Company of the face value of Rs.10/- each not exceeding such percentage of the capital of the Company, as may be permitted by the law, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines and provisions of law and otherwise ranking pari passu with the Equity Shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion and in the best interest of the Company deem fit; provided that the aforesaid issue of Equity Shares may instead be in the form of fully or partly Convertible Debentures, Bonds, Warrants or other securities as may be permitted by the law, from time to time."

"RESOLVED FURTHER that the Board be and is hereby authorised to issue, allocate and allot such number of Equity Shares as may be required in pursuance of the above issue, and that the Equity Shares so issued, allocated or allotted shall rank in all respects pari passu with the existing Equity Shares of the Company save and except that such Equity Shares which may be with or without voting rights, if permitted by the law, shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective."

"RESOLVED FURTHER that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and subject to all necessary approvals to the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immovable and/or moveable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board."

"RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the issue, the issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the issue."



1997-98

NOTICE (Contd.)

10. Borrowing Powers:

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

"RESOLVED that in supersession of Resolution No. 7 passed at the Tenth Annual General Meeting of the Company held on September 3, 1996, the consent of the Company be and is hereby accorded to the Board of Directors under Section 293 (1)(d) of the Companies Act, 1956 and all other enabling provisions to borrow any sum or sums of money from time to time notwithstanding that the money or moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers, in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, by an amount of Rs.75 crores (Rupees Seventy Five crores only)."

Notes:—

- [a] The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of business under item Nos. 4, 5 and 7 to 10 are annexed hereto.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- [c] The Register of Members and the Share Transfer Books of the Company will remain closed from August 4, 1998 to August 31, 1998 (both days inclusive).
- [d] The dividend on Equity Shares as recommended by the Directors for the year ended March 31, 1998, if declared at the Meeting will be payable on and after Friday, the September 25, 1998 to those Members whose names stand on the Register of Members of the Company on August 31, 1998.

By Order of the Board of Directors

RAVI PANDIT

Vice President — Finance & Company Secretary

Mumbai, June 29, 1998

Registered Office:
Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

1997-98

1997-98

EXPLANATORY STATEMENTS

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to the business under Item Nos. 4, 5 and 6 of the accompanying Notice dated June 29, 1998.

Item No. 4

Mr. D. J. Lovatt was appointed a Director on June 29, 1998, on the death of Directors of the Company under Article 152 of the Company's Articles of Association. On the actual vacancy on the Board caused by the resignation of Mr. M. B. Engineer, Mr. Lovatt held office till the time of the ensuing Annual General Meeting, on the terms of Mr. Engineer's resignation. Mr. Lovatt is appointed. A notice under Section 247 of the Companies Act, 1956, has been received from a member proposing the candidature of Mr. D. J. Lovatt as a Director. Mr. Lovatt is the Chief Financial Officer for the Asia-Pacific Region of Lucent Technologies International Inc., U.S.A. (Lucent) and also represents Lucent's interest in the Company who is the holder of 25.5% of the Equity Shares of the Company. Mr. Lovatt brings with him a vast and varied experience of dealing in international financial matters. The Board considers it desirable that the Company should receive the benefit of his valuable experience and advice and therefore recommends his appointment.

Item No. 5

Mr. H. B. Schecht was appointed as an Additional Director of the Company by the Board of Directors with effect from June 29, 1998, pursuant to Section 247 of the Companies Act, 1956, and Article 151 of the Articles of Association of the Company and he held office upto the date of the ensuing Annual General Meeting. A notice under Section 247 of the Companies Act, 1956, has been received from a member proposing the candidature of Mr. H. B. Schecht as a Director.

Mr. H. B. Schecht brings with him a long and varied experience of more than 4 decades. During his long career, he occupied various important positions in different organisations namely, Vice President - Finance to President and Chief Executive Officer as well as Chairmanship of Cummins Engine Company, Columbus as a member of Board of Directors of Robert C. Johnson Corporation, the Chase Manhattan Corporation and Chase Manhattan Bank, N.A., and Aluminum Company of America (ALCOA) and Cummins Engine Company, as well as Lucent Technologies. He is also a Chairman of the Board of Trustees of the Ford Foundation, Vice Chairman of trustees of the Justice's Enterprise Trust, an Honorary Trustee of the Brookings Institution, a Trustee of the Dover Educational Foundation, and a member of the Board of Trustees of the Yale Corporation. Mr. Schecht is a member of The Business Council, the Council on Foreign Relations, the Management Executives' Society, the U.S. Japan Business Council. In addition, he is a Trustee of the Metropolitan Museum of Art, a Fellow of the Academy of Arts and Sciences and a Member of American Philosophical Society.

His last employment was with Lucent Technologies where he worked as a Chairman and Chief Executive Officer from October 1995 to October 1997 and continues as a Director and Senior Advisor to Lucent Technologies. The Board is of the opinion that the continuous association of Mr. H. B. Schecht as a Director would be of immense help to the company's expansion and diversification programme.

Item No. 7

The issue of shares without voting rights by companies is presently not permitted under the Companies Act, 1956. It is expected that, in course of time, the law will be amended to permit the issue of shares without voting rights by companies. Hence, it is proposed to introduce a new Article

1997-98

EXPLANATORY STATEMENTS (Contd.)

7A in the Articles of Association as set out in the Resolution at Item No.7(A) to enable the Company to issue shares without voting rights, as may be permitted by law.

Article 68 of the Articles of Association of the Company prohibits the Company from buying its own shares. It is proposed to introduce a new Article 68A in the Articles of Association as set out in the Resolution at Item No.7(B) to enable the Company to purchase any of its own shares or securities, as proposed in the Resolution at Item No.8, in the event it is permissible by the law.

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Act relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a far safer and more convenient method for holding and trading in the securities of a company. The Company also proposes to join the Depository System and it is, therefore, proposed that the Company's Articles of Association be suitably altered, as set out in the Resolution at Item No.7(C) to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the securities in such a system.

The Board commends the Resolution for acceptance by the Members.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. to 1 p.m. on any working day of the Company.

Item No. 8

The Companies Act, 1956 presently prohibits a company from purchasing its own shares and securities. However, it is anticipated that the law may in future permit a company to buy back its own securities (buy-back of securities).

Subject to the buy-back of securities being legally permissible, it is proposed to enable the Company to buy back its Equity Shares or such other permissible securities, not exceeding such percentage of the capital of the Company as may be permitted by the law from the Members of the Company either from the open market or from the holders of odd lots, or from the holders of the Equity Shares that may be issued under the Employees' Stock Option Scheme or as permitted by the law. The buy-back of Equity Shares or securities would be at the rate and from the funds permitted by the law as set out in the Resolution.

The Resolution, if approved, will be operative for and will be given effect to within a period of 15 months from the date of passing the Resolution or such other time limit laid by the law.

The Board commends the Resolution for acceptance by the Members.

Item No. 9

In the present competitive environment in the country and in the long term interest of the Company and its shareholders, it is necessary that the Company adopts measures for attracting and retaining qualified, talented and competent personnel. Stock Option Schemes, designed to foster a sense of ownership and belonging amongst personnel, are a well-accepted approach to this end. It is therefore, appropriate to consider introducing a Stock Option Scheme for the permanent employees of the Company and its Managing/Whole-time Directors. The shares may be allotted directly to employees or allocated in accordance with a Stock Option Scheme framed in that behalf, in accordance with the provisions of the prevailing law. It is intended that any such Stock Option Scheme shall not exceed an