



TATA TELESERVICES (MAHARASHTRA) LIMITED

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10th Annual Report
2004-2005

**BOARD OF DIRECTORS****Mr. Firdose A. Vandrevale (Chairman)****Mr. Kishor A. Chaukar****Dr. Naushad Forbes****Mr. R. Gopalakrishnan****Mr. Ishaat Hussain****Dr. J. J. Irani****Mr. Pradman Kaul****Mr. N. S. Ramachandran****Mr. Charles Antony (Managing Director)****COMPLIANCE OFFICER****Mr. Madhav Joshi**

Chief Legal Officer & Company Secretary

Investor Services

Mr. Hiten Koradia

Tel : 022-5661 5152

e-mail : ir@tatatel.co.in**STATUTORY AUDITORS**

M/s. Deloitte Haskins & Sells

Chartered Accountants

12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate,
Worli, Mumbai – 400 018.**REGISTRARS & SHARE TRANSFER AGENTS**

Tata Share Registry Limited

Army & Navy Building,

148, Mahatma Gandhi Marg,

Fort, Mumbai 400 001.

Tel : 91 22 5656 8484 (Extn. 240 / 241 / 242)

Fax : 91 22 5656 8496

e-mail : csg-unit@tatashare.comwebsite : www.tatashare.com**REGISTERED OFFICE**

Ispat House, B. G. Kher Marg,

Worli, Mumbai – 400 018.

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NOTICE

Notice is hereby given that the 10th Annual General Meeting of **Tata Teleservices (Maharashtra) Limited** will be held on **Friday, August 5, 2005 at 1530 hours** at Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the Financial year ended March 31, 2005 alongwith the Report of auditors thereon as well as the Directors' Report and for that purpose to consider and, if thought fit, to pass, with or without modifications, if any, the following as an ORDINARY RESOLUTION :

"RESOLVED THAT the Company's audited Balance Sheet as at March 31, 2005, the audited Profit and Loss Account and the audited Cash Flow Statement for the financial year ended on that date together with Directors' and Auditors' Report thereon be and are hereby approved and adopted."

2. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT, M/s Deloitte Haskins & Sells, Chartered Accountants, retiring auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on remuneration to be decided by the Board of Directors."

3. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. F. A. Vandrevalla, who retires from the office of Director by rotation in this Annual General Meeting be and is hereby re-elected as a Director of the Company whose office shall be liable to retirement by rotation."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an ORDINARY RESOLUTION:

"RESOLVED that the vacancy caused on the Board of Directors of the Company due to the retirement of Mr. Ishaat Hussain, a Director of the Company who was liable to retire by rotation at this Annual General Meeting and who does not seek re-election, be not filled."

5. To consider and, if thought fit, to pass, with or without modifications, if any, the following as an ORDINARY RESOLUTION:

"RESOLVED that the vacancy caused on the Board of Directors of the Company due to the retirement of Dr. J. J. Irani, a Director of the Company who was liable to retire by rotation at this Annual General Meeting and who does not seek re-election, be not filled."

6. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Charles Antony, an Additional Director, who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed a Director of the Company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT consent of the Company be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, 310, 314, 316, 317 and other applicable provisions, if any, of the Companies Act, 1956, to the appointment of Mr. Charles Antony as the Managing Director of the Company for a period of 5 years w.e.f. October 1, 2004.

RESOLVED FURTHER THAT pursuant to Sections 198, 269, 309, 310, 314, 316, 317 and other application provisions, if any, of the Companies Act, 1956 and any other applicable laws and regulations, Mr. Charles Antony who has been appointed as the Managing Director of the Company, with effect from October 1, 2004 for a period of 5 years, be paid remuneration as follows for a period of 3 years from the date of his appointment as Managing Director:

1. *Basic Salary:* Rs. 1,85,000/- per month in the grade of Rs.125,000/- p.m. to Rs.300,000/- p.m. The Board of Directors (which expression shall be deemed to include Remuneration Committee or any other committee constituted by the Board for this purpose) in its discretion may allow appropriate annual increment.
2. *Special Allowance:* 33% of Basic Salary.

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3. *Performance Bonus:* Such remuneration by way of performance bonus up to 36 months of basic salary, subject to a minimum of 12 months' performance bonus per annum for two years from October 1, 2004 (pro-rata for part of financial year) in addition to basic salary, perquisites and allowances payable calculated with reference to the performance of the Company for each financial year and the appointee's performance during the year as evaluated by the Board at the end of each such financial year. This amount would be subject to the overall ceilings stipulated in Sections 198, 309 and other applicable provisions of the Companies Act, 1956.

4. *Perquisites and Allowances:*

a. *Residential Accommodation:* The Company shall provide Company owned/leased accommodation to the appointee, and undertake its maintenance. The Company shall also pay for society charges and provide and pay for utilities such as gas, electricity, water etc. The perquisite value of the residential accommodation will be calculated as per the Income Tax Rules.

OR,

House Rent Allowance at 60% of basic salary; House Maintenance Allowance at 25% of basic salary.

b. In addition to residential accommodation, the appointee shall be entitled to other perquisites and allowances of the value of 18% of the appointee's annual basic salary to cover the following: furnishing; leave travel concession for self, wife and dependent children; normal medical reimbursement for self, wife and dependent children; and utilities.

c. Membership of Fort Medical Society [this is a Trust to take care of any exceptional medical expenses not covered in 4 (b)] for self and for family when residing in India.

d. The Company will pay fees of one club. This will not include admission and life membership fees.

e. Payment of premium for appropriate medical insurance for hospitalization for self, wife and dependent children, provision of a Company car for official duties, provision of telephone at residence and cell phone (including payment of local calls and long distance official calls) and US Health Insurance for family with premium upto Rs. 6,00,000/- p.a. for one year extendable thereafter as may be agreed to by the Board and the appointee, shall not be included in the computation of perquisites for the purpose of calculating the ceiling mentioned in para 4(b) above.

f. The Company's contribution to Provident Fund and Superannuation or Annuity Fund, if any, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of the limit referred to in para 4 (b) above. In case the aggregate contribution of Provident Fund and Superannuation Fund is less than 27% of basic salary, the Special Allowance referred to in para 2 above shall be increased to that extent.

g. *Minimum Remuneration:* Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the appointee's tenure, the Company has no profits or the profits are inadequate, the Company shall pay basic salary, perquisites, performance bonus and allowances as specified above as minimum remuneration.

Subject to the provisions of the Companies Act, 1956 and other applicable laws and subject to receipt of requisite consents and approvals, Mr. Antony would also be eligible to avail of any other benefits in addition to the above, as per Company policies prevailing from time to time.

5. *Other Terms and Conditions:*

The remuneration and other terms and conditions of this appointment may be varied/enhanced from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amounts payable to the Managing Director as per Schedule XIII to the Companies Act, 1956 so as to conform with the provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors (including any Committee and/or delegates thereof) be and are hereby authorized to give effect to this resolution and to do such acts, thing and deeds in this connection as they may deem necessary or expedient."

8. To consider and if thought fit to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be altered as follows :

For Article 91, the following may be substituted -



COMMON SEAL AND EXECUTION OF DOCUMENTS

91. The Board of Directors shall provide a Seal for the purpose of the Company and shall have power, from time to time, to destroy the same and substitute a new Seal, in lieu thereof. The Board shall provide for the safe custody of the Seal and the Seal shall, except as otherwise empowered under the Act or rules thereunder, never be used except by the authority of the Board of Directors or a Committee of the Board of Directors, and (a) two Directors, or (b) one Director and the Secretary or (c) one Director and such other person, as the Board may appoint for the purpose or (d) the Company Secretary and such other person, as the Board may appoint for the purpose, shall sign every Instrument to which the Seal is affixed provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same."

9. To consider and if thought fit to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :

- "(a) RESOLVED THAT pursuant to Section 81 and all other applicable provisions of the Companies Act, 1956 (including any modification or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the Company's shares are listed and subject to such approvals, consents, permissions and/or sanctions of the Central Government, Reserve Bank of India and/or any other appropriate authorities, including banks, financial institutions or other lenders/creditors or holders of foreign currency convertible bonds issued by the Company earlier, as may be necessary, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, or sanction, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall be deemed to include any Committee or authorized representative/s thereof), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in the course of international offering(s) to eligible foreign investors (whether or not such investors are members of the Company) by way of circulation of an offering circular or prospectus or by way of private placement, foreign currency convertible bonds upto the aggregate principal amount of United States Dollars 200 million (hereinafter referred to as "Securities"), secured or unsecured, to be subscribed in foreign currency, which, at the option of the holders of the Securities may be converted into equity shares of the Company, such offer, issue and allotment to be made in one or more tranches, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of offer, issue or allotment.
- (b) RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws and regulations, the aforesaid issue of Securities may have all or any terms or combination of terms in accordance with international practices including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever, and all such terms as are provided in issue of securities of this nature internationally including terms for issue of equity shares upon conversion of the Securities or variation of the conversion price of the Securities during the term of the Securities and the Company is also entitled to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities or securities representing the same on one or more stock exchanges outside India.
- (c) RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the international market and/or at the place of issue of the Securities in the international market and may be governed by applicable foreign laws.
- (d) RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offerings, all such equity shares being *pari passu* with the then existing equity shares of the Company in all respects.
- (e) RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities or securities representing the same or equity shares, as described herein above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation to determine the terms and timing(s) of the issue(s), the class of investors to whom the Securities (or securities representing the same or equity shares, as described herein above) are to be issued, number of Securities (or securities representing the same or equity shares, as described herein above) to be issued in each tranche, issue price, face value, premium amount on issue / conversion of Securities, rate of interest, redemption period, etc. the utilization of issue proceeds,

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entering into of underwriting, marketing and depository arrangements, and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

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

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

Madhav Joshi
Chief Legal Officer & Company Secretary

Registered Office:

Ispat House,
B. G. Kher Marg,
Worli, Mumbai 400 018

Dated : May 13, 2005

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A proxy, in order to be effective, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this Notice.
3. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the Members at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 21, 2005 to Friday, August 5, 2005 (both days inclusive).
5. Members are requested to notify immediately change of address, if any, at the registered office of the Company.
6. Members who hold shares in the dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. A circular on the Nomination facility is available on the Company's web-site on the following page viz. http://www.tataindicom.com/misc/ttml/nomination_form.asp. The shareholders holding shares in physical mode only are requested to go through the circular and appoint nominee/s, if any, in respect of their physical shareholdings at the earliest.
8. **Members may kindly note that, for security reasons, no handbags or parcels of any kind will be allowed inside the Bombay House Auditorium and those will have to be deposited outside the Auditorium on the counter provided, at the Members' own risk.**



ANNEXURE

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

Item No. 3

Mr. F. A. Vandrevala, who is the Chairman of the Board of Directors of the Company, retires by rotation at this Annual General Meeting ("AGM") and is eligible to be re-elected as a Director whose office shall be liable to retirement by rotation.

Mr. Vandrevala, aged about 54 years, is Managing Director of The Tata Power Company Limited. Before joining The Tata Power Company Limited in 2001, he held several important positions at Tata Steel including that of a Deputy Managing Director (New and Allied Business).

Mr. Vandrevala is the Chairman of the Boards of Directors of the Company, Tata Teleservices Limited, Tata Power Broadband Co. Ltd., and Tata Power Trading Co. Ltd. Mr. Vandrevala is also a Director of Af-Taab Investment Co. Ltd., Chemical Terminal Trombay Ltd., NELCO Ltd., North Delhi Power Ltd., Power Trading Corporation of India Ltd., Tata Ceramics Ltd., Tata Ryerson Ltd., Videsh Sanchar Nigam Ltd., Tata Services Ltd. and Powerlinks Transmission Ltd.

In addition to being on the Remuneration Committee of the Board of Directors of the Company, Mr. Vandrevala is also a member of the Audit Committee of the Board of Tata Ryerson Ltd. and a member of the Shareholders' / Investors' Grievance Committee of the Board of The Tata Power Co. Ltd.

Mr. Vandrevala graduated with a Bachelor of Technology degree from Indian Institute of Technology, Kharagpur and subsequently completed Post Graduate Diploma in Business Management from Xavier Labour Relations Institute, Jamshedpur.

The Board considers that the Company would benefit immensely from Mr. Vandrevala's rich experience in the field of infrastructure and telecom and therefore recommends his appointment.

Mr. Vandrevala does not hold any shares or instruments convertible into shares in the Company.

None of the Directors except Mr. F. A. Vandrevala is deemed to be interested or concerned in the passing of this resolution.

Item No. 4

Mr. Ishaat Hussain retires by rotation at this AGM and is eligible for re-election. However, Mr. Hussain has informed the Board of Directors that he would not seek re-election as a Director of the Company in view of his other commitments.

It is proposed that the vacancy arising due to retirement of Mr. Hussain from the office of Director should not be filled. Accordingly, an ordinary resolution to this effect is proposed for the members' approval.

None of the Directors is interested or concerned in the Resolution at Item No. 4.

Item No. 5

Dr. J. J. Irani retires by rotation at this AGM and is eligible for re-election. However, Dr. Irani has informed the Board of Directors that he would not seek re-election as a Director of the Company in view of his other commitments.

It is proposed that the vacancy arising due to retirement of Dr. Irani from the office of Director should not be filled. Accordingly, an ordinary resolution to this effect is proposed for the members' approval.

None of the Directors is interested or concerned in the Resolution at Item No 5.

Item No. 6

Mr. Charles Antony was appointed as an Additional Director of the Company w.e.f. October 1, 2004. He holds office as Additional Director upto the date of this AGM. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member signifying an intention to propose Mr. Antony as a candidate for the office of Director. Mr. Antony is therefore eligible for appointment to the office of Director, whose office shall be liable to retirement by rotation.

Prior to joining the Company, Mr. Charles Antony, aged 52 years, was with Tata Infotech Limited as Executive Director (designated as President & Chief Operating Officer).

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Mr. Antony has extensive global management exposure in high volume business development, in fast paced time sensitive environments. Mr. Antony joined Motorola, USA in 1979 as Electrical Engineer and rose to the position of Senior Director Operations in 1998. In a career spanning over 25 years in the US with Motorola, Mr. Antony excelled in being result driven. His excellent problem solving skills coupled with his immense experience in analyzing and streamlining product delivery systems helped him increase productivity across all levels of responsibilities held by him.

Mr. Antony brings with him strong operation skills. His expertise principally lies in the areas of starting new organizations and developing long-term technology road maps. During his tenure with Motorola, he was consistently ranked in the high potential employee list.

With clear vision and customer driven approach Mr. Antony led a team which introduced network and support systems in Japan, which was instrumental in signing a \$1 billion contract; he started the first GSM Systems Engineering Organization in US; implemented multiple nationwide contracts in the Middle East and Africa worth \$250 million; developed the GSM expertise in Asia leading to signing of contracts valuing \$200 million; engineered and implemented the first TACS network in China worth \$500 million.

Mr. Antony is the Chairperson of the worldwide Systems Engineering Council. He holds a B.Sc. degree in Mathematics and B.S. in Electrical Engineering from the US.

The Board considers that the Company would benefit immensely from Mr. Antony's rich experience in the fields of telecom and management and therefore recommends his appointment.

None of the Directors except Mr. Antony is deemed to be interested or concerned in the passing of this resolution.

Item No. 7

Consequent to Mr. S. Ramakrishnan's resignation from the Board of Directors, the Board of Directors appointed Mr. Charles Antony as the Managing Director of the Company to hold such office for a period of 5 years w.e.f. October 1, 2004. Subject to the approval of the shareholders and the Central Government, Mr. Antony would be paid remuneration approved by the Remuneration Committee of the Board of Directors of the Company and as set forth in the Special Resolution appearing at serial no. 7 in the notice. The Company had applied to Government of India, Ministry of Company Affairs which has approved the remuneration as reproduced in the aforesaid Resolution, till the ensuing AGM. As mentioned in the Government letter, 'approval for remaining tenure will be granted after the Company furnishes Members' Special Resolution'. The consent of the Company's shareholders is now being sought for the same.

In accordance with the provisions of Schedule XIII of the Companies Act, 1956, the particulars as prescribed therein are enclosed and the approval of the shareholders is sought for payment of such remuneration for a period of 3 years from the date of Mr. Antony's appointment to the office of Managing Director i.e. upto September 30, 2007.

The Board recommends the passing of this resolution in the interests of the Company.

Mr. Antony is interested or concerned to the extent of the remuneration proposed in the aforesaid Resolution. No other Director is deemed to be interested or concerned in the passing of this resolution.

Item No. 8

The Articles of Association of the Company provides for the affixation of the Common Seal by two Directors or by one Director along with the Company Secretary/ person authorized by the Board of Directors. This necessarily requires the presence of a Director.

The Company has been executing various Term Loan and other Facility documents with banks/Institutions at frequent intervals and in all such occasions one Director is required to be present for execution of documents and affixation of Common Seal.

It is proposed to amend the Articles of Association to have the flexibility of affixing the Common Seal in the presence of the Company Secretary and one other person authorized by the Board of Directors. The insertions to be made in the existing Clause 91 are underlined below for ease of reference of the Shareholders.

"91. COMMON SEAL AND EXECUTION OF DOCUMENTS

The Board of Directors shall provide a Seal for the purpose of the Company and shall have power, from time to time, to destroy the same and substitute a new Seal, in lieu thereof. The Board shall provide for the safe custody of the Seal and the Seal shall, except as otherwise empowered under the Act or rules thereunder, never be used except by the authority of the Board of Directors or a Committee of the Board of Directors, and (a) two Directors, or (b) one Director and the Secretary or (c) one Director and such other person, as the

Board may appoint for the purpose or (d) the Company Secretary and such other person, as the Board may appoint for the purpose, shall sign every instrument to which the Seal is affixed provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same. The signatures of any two Directors so designated by a resolution of the Board on behalf of the Company on any document shall be prima facie evidence that the Company has validly executed such document."

A copy of the Memorandum & Articles of Association of the Company together with the proposed alteration will be available for inspection by the Members at the Registered Office of the Company during Office hours on any working day.

None of the Directors of the Company are concerned or interested in the aforesaid resolutions.

The Board recommends the passing of this Special Resolution in the interests of the Company.

Item No. 9

After takeover of the Company by Tata Group, it was decided to expand the Company's operations using CDMA wireless technology. Grant of Unified Access Services licences allowed the Company to offer full mobility services. ICICI Bank Limited, the lead arranger for the Company's project debt requirements, has appraised the Company's revised business plan to cover 150 towns and achieve about 29 lakhs subscribers upto March 31, 2007, and pegged the project cost at Rs.5,400 crores, as against the earlier estimated project cost of Rs.3,381 crores. The Company has already spent Rs. 3,500 crores till March 31, 2005. The revised project cost envisages additional equity investment of Rs.694 crores in the Company. However, Foreign Currency Convertible Bonds (FCCBs) have emerged as an alternative, which allows the Company to raise equity at a substantial premium to current market prices at a very low cost. Therefore the Company proposes to issue FCCBs in the current year to meet its additional equity requirements as per its business plan. These FCCBs may be listed on one or more foreign stock exchanges and will be convertible into equity shares of the Company at the option of the FCCB holders at a conversion price to be decided at the time of issue of FCCBs.

The Company earlier completed an issuance of FCCBs worth US\$ 125 million (approx. Rs. 575 crores) in June 2004. As on March 31, 2005, FCCBs of US\$ 46.96 million have been converted into equity shares at a price of Rs. 24.96 per share.

Any issue of FCCBs with an option of conversion into equity shares, to persons who may not be members of the Company, requires the consent of the Company's shareholders. Considering that the window for availing of FCCBs on best terms is typically very short in view of continuous market fluctuations, the Board seeks the consent of shareholders by passing a resolution for issue of FCCBs not exceeding US\$ 200 million and consequent issue of equity shares arising on conversion of FCCBs to the extent opted by FCCB holders. While the terms of the offer would be finalised at the time of issue of FCCBs, the issue will be structured in a manner such that the Company's promoters would, at all times, continue to hold a majority of the Company's paid up Equity Capital. Shareholders' approval will enable the Board to complete the issue of FCCBs during any window of opportunity when favourable terms can be obtained from foreign investors.

Approval of the members of the Company is being sought pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956 for such issue.

The Directors recommend the passing of this SPECIAL RESOLUTION in the interests of the Company. The Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of Securities that may subscribed to by the companies/institutions of which they are Directors or members.

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

Madhav Joshi
Chief Legal Officer & Company Secretary

Registered Office:

Ispat House,
B. G. Kher Marg,
Worli, Mumbai 400 018

Dated : May 13, 2005