



# 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 the Eighteenth Annual General Meeting of the Members of **Idea Cellular Limited** will be held on Monday, the 16<sup>th</sup> day of September, 2013 at 12:00 noon at Cambay Spa and Resort, Plot No. X-22/23 GIDC Electronic Estate, Sector 25, Gandhinagar - 382 044, Gujarat, to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013 and the Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2013.
3. To appoint a Director in place of Mrs. Rajashree Birla, who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Ms. Tarjani Vakil, who retires by rotation, and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Biswajit A. Subramanian, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Dr. Rakesh Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
7. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

### SPECIAL BUSINESS:

#### 8. Appointment of Dr. Shridhir Sariputta Hansa Wijayasuriya as a Director

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

**“RESOLVED THAT** Dr. Shridhir Sariputta Hansa Wijayasuriya, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 (‘the Act’) and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Act from a member signifying his intention to propose Dr. Shridhir Sariputta Hansa Wijayasuriya as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

#### 9. Issue of Securities under Employee Stock Option Scheme

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and

Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (the “SEBI Guidelines”), the Listing Agreement(s) entered into by the Company with the stock exchanges where equity shares of the Company are listed, any rules, guidelines and regulations issued by the Reserve Bank of India and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the ESOS Compensation Committee constituted by the Board to exercise its powers conferred by this Resolution) consent of the Company be and is hereby accorded to introduce and implement the “Idea Cellular Limited Employee Stock Option Scheme – 2013” (hereinafter referred to as “the Scheme” or “ESOS-2013”), the salient features of which are furnished in the explanatory statement to the Notice and consent be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, in one or more tranches, to or for the benefit of such person(s) who are in the permanent employment of the Company in the management cadre, whether working in India or outside India, including any Managing or Whole-time Director(s) of the Company (hereinafter referred to collectively as “employees”) as may be decided by the Board under the Scheme, such number of Stock Options (comprising of options and / or restricted stock units) exercisable into not more than 35,549,000 equity shares of ₹ 10/- each, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI Guidelines or other provisions of law as may be prevailing at that time.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division or other reorganisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling of 35,549,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Stock Options granted under the Scheme and the exercise price of Stock Options granted under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the Scheme.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above but subject to the terms as may be approved by the Members of the Company, the Board is authorised to formulate, evolve, decide upon and implement the Scheme and determine the detailed terms and conditions of the aforementioned Scheme and including but not limited to the quantum of the Stock Options to be granted per employee, the number of Stock Options to be granted in each tranche, the terms or combination of terms subject to which the said Stock Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Stock Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme and as the Board may in its absolute discretion think fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot equity shares upon exercise of Stock Options from time to time in the manner aforesaid and such equity shares shall rank *pari passu* in all respects, including dividend, with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under the Scheme on the stock exchanges where the securities of the

Company are listed in accordance with the provisions of the listing agreement with the concerned stock exchanges, SEBI guidelines and other applicable laws and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme from time to time in conformity with the provisions of the Act, the SEBI Guidelines and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the Scheme.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**10. Extension of benefits of the Employee Stock Option Scheme to the employees of holding / subsidiary company(ies)**

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (the “SEBI Guidelines”), the Listing Agreements entered into by the Company with the stock exchanges where equity shares of the Company are listed, any rules, guidelines and regulations issued by the Reserve Bank of India and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the ESOS Compensation Committee constituted by the Board to exercise its powers conferred by this Resolution) consent of the Company be and is hereby accorded to the Board, to extend the benefits and coverage of the “Idea Cellular Limited Employee Stock Option Scheme – 2013” (hereinafter referred to as “the Scheme” or “ESOS-2013”), referred to in the resolution under Item No.9 of this Notice, also to such persons who are in permanent employment of any present and future holding and/or subsidiary companies of the Company in the management cadre, whether working in India or outside India, including any Managing or Whole-time Director(s) of the holding and/or subsidiary companies of the Company under the Scheme in the manner mentioned in the resolution under Item No.9 of this Notice, as may be decided by the Board in accordance with the SEBI Guidelines or other provisions of law as may be prevailing at that time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

## 11. To consider raising of funds through issuance of equity shares

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 provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the “Companies Act”), the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges where Equity Shares of the Company are listed and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”), the provisions of the Foreign Exchange Management Act, 1999, (“FEMA”) and rules and regulations framed there under as amended from time to time and subject to other applicable rules, regulations and guidelines issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GoI”), the Stock Exchanges and / or any other competent authorities from time to time to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, GoI and any other authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to the Board to create, offer, issue and allot such number of Equity Shares of face value of ₹ 10/- each for an aggregate amount not exceeding ₹ 3,000 crore (including premium, if any, on such Equity Shares) to Qualified Institutional Buyers (“QIBs”) under the Qualified Institutions Placement (“QIP”) route permitted by the SEBI ICDR Regulations, in one or more tranches, whether or not such QIBs are members of the Company, through a Placement Document and / or such other documents / writings/circulars/ memoranda in such manner, at such price or prices, whether at a discount or premium to the market price, determined in accordance with the pricing guidelines prescribed under Chapter VIII of the SEBI ICDR Regulations, and on such terms and conditions as may be determined by the Board at an appropriate time in consultation with the lead managers(s) appointed and / or to be appointed by the Company in accordance with the provisions of Chapter VIII of the SEBI (ICDR) Regulations (the “QIP Issue”).

**RESOLVED FURTHER THAT** the Relevant Date for determining the Floor Price of the Equity Shares to be allotted pursuant to the QIP Issue, shall mean the date of the meeting in which the Board decides to open the QIP Issue.

**RESOLVED FURTHER THAT** the Board may at its absolute discretion issue Equity Shares at a discount of not more than five per cent or such other discount as may be permitted under the applicable regulations to the QIP Floor Price as determined in accordance with the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted in terms of this Resolution shall rank *pari passu* with the then existing Equity Shares of the Company in all respects, including dividend.

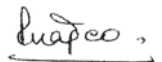
**RESOLVED FURTHER THAT** the Equity Shares shall be issued and allotted within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the QIP Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies and also to seek the listing and trading of the Equity Shares being offered in the QIP Issue on the Stock Exchanges where the Equity Shares of the Company are listed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the QIP Issue and to resolve and settle all questions, difficulties or doubts that may arise in regard to such QIP Issue, including the finalization and approval of the draft as well as final offer document(s), determining the form and manner of the QIP Issue, finalization of the timing of the QIP Issue, identification of the investors to whom Equity Shares to be offered, utilization of the issue proceeds, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**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 (including "Securities Allotment Committee") and / or any director(s) or any other officer(s) of the Company in such manner as they may deem fit in their absolute discretion."

By Order of the Board  
For Idea Cellular Limited



Pankaj Kapdeo  
Company Secretary

Place: Mumbai  
Date: August 08, 2013

**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 TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. 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.
3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business set out at Item No. 8 to 11 of the Notice is annexed hereto.
4. Profile of Directors seeking Appointment/Re-appointment at the 18th Annual General Meeting, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), is annexed to this Notice.
5. The Annual Report of the Company for the year 2012-13, is also uploaded on the Company's website [www.ideacellular.com](http://www.ideacellular.com) in the 'Investor Relations' Section.
6. The Register of Members and Share Transfer Books will remain closed from Saturday, the 7th day of September, 2013 to Monday, the 16<sup>th</sup> day of September, 2013 (both days inclusive) for the purpose of payment of dividend, if any, approved by the members.
7. The dividend as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear:
  - (a) As Beneficial Owners as at the end of business hours on 6<sup>th</sup> September, 2013 as per lists to be furnished by National Securities Depositories Ltd. (NSDL) and Central Depositories Services (India) Limited (CDSL) in respect of the shares held in electronic form.

- (b) As Member in the Register of Members of the Company after giving effect to all valid share transfers in physical form which are lodged with the Company or its Registrar and Share Transfer Agent (RTA) on or before 6<sup>th</sup> September, 2013.
8. Members who hold shares in the physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their requisite request to the Company's Registrars and Share Transfer Agents (RTA). Members are requested to utilize the ECS for receiving dividends. Any query related to dividend should be directed to the RTA of the Company. In respect of members holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through ECS. The Company/ RTA will not act on any direct request from members holding shares in dematerialized form for change/deletion of such bank details.
  9. Members holding shares in electronic form are requested to intimate any change in their address, E-mail ID and signature to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agents of the Company.
  10. As per Circular No. MRD/DoP/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agents of the Company.
  11. Statutory Registers and documents referred to in the Notice and Explanatory Statement including certificate from the Statutory Auditors of the Company under Clause 14 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11:00 a.m. to 1:00 p.m. upto the date of the Annual General Meeting and will also be available for inspection at the meeting.
  12. Members/Proxy holders are requested to bring duly filled attendance slip sent herewith, alongwith the copy of the Annual Report at the meeting.
  13. The Ministry of Corporate Affairs, (MCA) Government of India, through its Circular Nos.17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its Green Initiative in corporate governance. A recent amendment to the Listing Agreement with Stock Exchanges also permits sending the aforesaid documents through electronic mode to Members who have registered their email address with the Company for this purpose. The Company supports the measures in the Green Initiative. Members are also requested to join the Company in this initiative by registering their Email ID with the Company or its RTA. A 'Green Initiative' Form can be downloaded from the Company's website viz. [www.ideacellular.com](http://www.ideacellular.com) for registering the email ID.



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

### Item No. 8

Pursuant to change in nomination by Axiata Group, Berhad, Dr. Shridhir Sariputta Hansa Wijayasuriya was appointed as an Additional Director, qualifying as a Non-Executive Director, in place of Mr. Juan Villalonga Navarro with effect from January 29, 2013. As per the provisions of Section 260 of the Companies Act, 1956, Dr. Shridhir Sariputta Hansa Wijayasuriya holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member alongwith the requisite deposit of ₹ 500/-, proposing his candidature for the office of Director of the Company.

Dr Wijayasuriya is a qualified Chartered Engineer from UK and has done MBA, from University of Warwick UK. He has also done his MA from the University of Cambridge, UK, and PhD from the University of Bristol. Dr. Wijayasuriya is currently the CEO of Dialog Telekom Limited. He has been awarded GSM (100) Role of Honour, Contribution to GSM in Asia Pacific and Business Leader of the year- Gold Award 2003.

The Board accordingly commends the resolution as set out in Item No. 8 of the Notice for your approval. None of the Directors of the Company, except Dr. Shridhir Sariputta Hansa Wijayasuriya, is interested or concerned in the resolution.

### Item nos. 9 & 10

Stock options in the hands of employees have long been recognised as an effective instrument to align the interests of the employees with that of the Company, providing an opportunity to the employees to share in the growth of the Company. Accordingly, the Company intends to reward, attract, motivate and retain employees and Directors of the Company, its holding and subsidiary companies for their high levels of individual performance, their efforts to improve the financial performance of the Company and their loyalty to the Company, by offering them equity shares by way of an employee stock options scheme. The eligible employees shall be granted employee stock options in the form of options ("Options") and/ or restricted stock units ("RSUs"). Options and RSUs are collectively referred to as "Stock Options" which will be exercisable into equity shares upon such terms and conditions applicable to the Stock Options, as the case may be.

The Board of Directors ("the Board") of the Company has vide its resolution dated 10<sup>th</sup> May, 2013 resolved to introduce the "Idea Cellular Limited Employee Stock Option Scheme – 2013" (hereinafter referred to as "the Scheme" or "ESOS-2013") subject to the approval of the Members and the provision of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (the "SEBI Guidelines") and authorised the ESOS Compensation Committee to formulate the detailed terms and conditions of the Scheme and once formulated to administer and implement the Scheme in accordance with the SEBI guidelines.

The Members are informed that the Company intends to offer not more than 35,549,000 equity shares of ₹ 10/- each under the Scheme by way of grant of Stock Options.

Your approval is being sought for issue of Stock Options to eligible employees of the Company, including its Managing or Whole-time Director(s) and that of its holding and / or subsidiary companies by introduction of the Scheme.

The Scheme is being formulated in accordance with the SEBI Guidelines. The salient features of the Scheme are as under:

#### (a) Total number of Stock Options to be granted:

The total number of Stock Options (comprising of Options and RSUs) that may in the aggregate be granted shall be such number that will entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 35,549,000 equity shares of ₹ 10/- each. The aggregate number of RSUs proposed to be granted under the Scheme shall not be exercisable into more than 50% of the overall ceiling of equity shares to be issued under the Scheme (which number shall be adjusted in lieu of adjustments / re-organisation of capital structure of the Company from time to time). One Stock Option entitles the grantees to one equity share (i.e. one Option will entitle the grantee to one equity share and one RSU will entitle the grantee to one equity share). In case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division, split or consolidation among others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional equity shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 35,549,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued. Stock Options not vested due to non-fulfillment of the vesting conditions, vested Stock Options which the grantees expressly refuse

to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying equity shares will be available for grant under the present Scheme or under a new scheme, subject to compliance with the provisions of the Applicable Law.

**(b) Identification of classes of employees entitled to participate in the Scheme:**

Persons who are permanent employees of the Company in the management cadre, working in or out of India, including Managing or Whole-time Director(s) of the Company, and that of the holding and/or subsidiary companies, as may be decided by the Board and / or the ESOS Compensation Committee, shall be eligible to be granted Stock Options under the Scheme.

The following category of employees / Directors shall not be eligible to participate in the Scheme:

- (i) a promoter or belonging to the promoter group;
- (ii) an Independent Director and Non-Executive Director(s);
- (iii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

**(c) Requirements of vesting and period of vesting:**

The Board and / or the ESOS Compensation Committee may, at its discretion, lay down certain criteria including but not limited to performance metrics on the achievement of which the granted Stock Options would vest. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Stock Options granted would vest would be subject to the minimum and maximum vesting period as specified below.

- **Vesting schedule for Options:**

The Options would vest not earlier than one year and not later than five years from the date of grant of Options or such other period as may be determined by the Board and / or the ESOS Compensation Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Board and / or the ESOS Compensation Committee, subject to the minimum vesting period of one year from the date of grant of Options. The Options granted under the Scheme shall vest in one or more tranches.

- **Vesting schedule for RSUs:**

The RSUs would vest not earlier than one year and not later than three years from the date of grant of RSUs or such other period as may be determined by the Board and / or the ESOS Compensation Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the RSUs would vest) would be determined by the Board and / or the ESOS Compensation Committee, subject to the minimum vesting period of one year from the date of grant of RSUs. The RSUs granted under the Scheme shall vest in one or more tranches.

**(d) Exercise price or pricing formula:**

Exercise price for Options:

The Options may be issued at such price that the Board and / or the ESOS Compensation Committee may determine on the date of the grant of Stock Options under the Scheme and specified in the relevant grant documents provided that the Exercise Price per Option shall not be less than the face value of the equity share of the Company.

Exercise price for RSUs:

The RSUs may be issued at face value or as may be determined by the Board and / or the ESOS Compensation Committee.

**(e) Exercise period or process of exercise:**

The exercise period would commence from the date of vesting and will expire on completion of five years from the date of vesting of Stock Options or such other period as may be determined by the Board and / or the ESOS Compensation Committee.

The Stock Options will be exercisable by the employees by a written application to the Company accompanied by payment of the Exercise Price in such manner and on execution of such documents, as may be prescribed by the Board and / or the ESOS Compensation Committee from time to time. The Stock Options will lapse if not exercised within the specified exercise period.



**(f) The appraisal process for determining the eligibility of employees:**

The appraisal process for determining the eligibility of the employees will be specified by the Board and / or the ESOS Compensation Committee, and will be based on criteria, such as role / criticality of the employee, length of service with the Company, work performance, technical knowledge, managerial level, future potential and such other criteria that may be determined by the Board and / or the ESOS Compensation Committee at its sole discretion.

The Board and / or the ESOS Compensation Committee may decide to extend the benefits of the Scheme to new entrants or to existing employees on such basis as it may deem fit.

**(g) Disclosure and accounting policies:**

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and prescribed by the concerned authorities from time to time.

**(h) Maximum number of Stock Options to be issued per employee and in aggregate:**

The maximum number of Stock Options to be granted to any employee shall be decided by the Board and / or the ESOS Compensation Committee. However, the number of Stock Options that may be granted to a single employee under the Scheme shall not exceed 0.2% of the paid up equity share capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).

The aggregate of all such Stock Options shall not result into more than 35,549,000 equity shares of the Company which shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time.

**(i) Method of Stock Option valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Stock Options. The difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the Stock Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share of the Company shall also be disclosed in the Directors' Report.

**(j) Transferability of Stock Options:**

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall be transferred to his legal heirs or nominees.

**(k) Other Terms:**

The Board and / or the ESOS Compensation Committee shall have the absolute authority to vary or modify the terms of the Scheme in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the Scheme.

As the Scheme would entail issue of further shares to persons other than the existing shareholders, consent of Members is being sought, in terms of Section 81(1A) of the Companies Act, 1956. Additionally, in accordance with SEBI Guidelines, a separate resolution is required to be passed, if benefits of the Scheme as stated in Resolution No. 9 of this Notice are being extended to the employees of holding and / or subsidiary companies. Therefore, a separate resolution as stated in Resolution No. 10 is proposed to extend the benefits of the Scheme to the permanent employees (in the management cadre) including Managing or Whole-time Directors of the holding and / or subsidiary companies of the Company.

The Board accordingly commends the resolutions as set out in Item Nos. 9 and 10 of the Notice for your approval.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the Stock Options that may be offered to them under the Scheme. The Stock Options to be granted under the Scheme shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

#### Item No. 11

Members are aware that Company is operating in the telecom sector, which is highly capital intensive. It needs regular augmentation of funds to meet business requirements, including payment towards spectrum that may be auctioned by the Department of Telecommunications, Government of India in future. While internal generation of funds would partially finance the need for capital and debt raising would be another source of funds, it is thought prudent for the Company to raise part of such funding requirements through issuance of Equity Shares, which would be used for the said purposes as well as for general corporate purposes.

Considering the current market conditions and the capital requirements, in order to augment the resources for the Company, the Company proposes to access the capital markets through the Qualified Institutions Placement ("QIP") route by issuing such number of Equity Shares of face value of ₹ 10/- each to Qualified Institutional Buyers ("QIBs") for an aggregate amount not exceeding ₹ 3,000 crore (including premium, if any) in accordance with the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations).

The Special Resolution seeks to empower the Board to issue Equity Shares by way of QIP to QIBs in accordance with Chapter VIII of the SEBI (ICDR) Regulations. The Special Resolution also seeks to give the Board powers to issue the Equity Shares in one or more tranches, at such time or times, at such price or prices to QIBs under the QIP route, as the Board in its absolute discretion may deem fit.

The pricing of the Equity Shares that may be issued to QIBs pursuant to SEBI ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ("QIP Floor Price"). Further, the Board may also offer a discount of not more than 5% or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board (including Committee thereof) decides to open the QIP for subscription.


The detailed terms and conditions for the issue will be determined by the Board in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the said QIP Issue.

As the QIP issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and any other law for the time being in force and being applicable and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed.

The Board accordingly commends the resolution as set out in Item No. 11 of the accompanying Notice for your approval.

The Directors of the Company may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that may be subscribed by the companies / institutions in which they are Directors or members. Except as aforesaid none of the Directors of the Company is in any way concerned or interested in this resolution.

By Order of the Board  
For Idea Cellular Limited



Pankaj Kapdeo  
Company Secretary

Place: Mumbai  
Date: August 08, 2013