ANNUAL REPORT
2010-11

TATA

TATA TELESERVICES (MAHARASHTRA) LIMITED

TATA TELESERVICES (MAHARASHTRA) LIMITED

Year on Year Performance

(Rs. in Crores)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
Income from Telecommunication	2,248.74	2,069.10	1,941.68	1,707.19	1,406.98	1,095.13	807.47	597.50	359.59	252.50	139.23	63.81	3.22
Earnings Before Interest, Depreciation, Tax and Amortisation	1,146.77*	540.51	593.18	485.55	302.60	124.71	(66.12)	50.74	52.85	7.60	(46.42)	(119.57)	(28.19)
Profit / (Loss) before Extraordinary Item and tax	49.91	(298.00)	(158.39)	(124.81)	(315.39)	(492.96)	(527.86)	(269.68)	(205.00)	(148.49)	(208.91)	(270.14)	(62.38)
Extraordinary Item	-	-	-	-	(5.48)	47.25	-	-	-	-	-	-	-
Profit / (Loss) after tax	49.90	(298.01)	(159.60)	(125.74)	(310.61)	(541.06)	(527.86)	(269.68)	(205.00)	(148.49)	(208.91)	(270.14)	(62.38)
End of Period Subscribers (Nos. in Thousands)	16,852	13,000	7,495	5,079	3,074	1,840	1,006	488	232	165	75	22	12

* Including Rs.834.93 Crores towards profit on sale of wholly owned tower subsidiary.

BOARD OF DIRECTORS

Mr. Kishor A. Chaukar *(Chairman)*
Mr. Amal Ganguli
Mr. Nadir Godrej
Prof. Ashok Jhunjhunwala
Mr. D. T. Joseph
Mr. N. S. Ramachandran
Mr. S. Ramadorai
Mr. Koichi Takahara
Mr. Narasimhan Srinath
(Managing Director w.e.f. February 1, 2011)

COMPLIANCE OFFICER

Mr. Madhav Joshi
Chief Legal Officer & Company Secretary

INVESTOR SERVICES

Mr. Hiten Koradia
Manager - Investor Relations
Tel: 91 22 6661 5445
E-mail: investor.relations@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

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Near Famous Studio, Mahalaxmi,
Mumbai - 400 011.
Tel: 91 22 6656 8484
Fax: 91 22 6656 8494 / 6656 8496
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

REGISTERED OFFICE

Voltas Premises, T. B. Kadam Marg,
Chinchpokli, Mumbai - 400 033.
Tel: 91 22 6661 5445
Fax: 91 22 6660 5516 / 5517
e-mail: investor.relations@tatatel.co.in
Website: www.tatateleservices.com

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Sixteenth Annual General Meeting of Tata Teleservices (Maharashtra) Limited will be held on **Tuesday, August 16, 2011 at 1500 hours at** Kamalnarayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021

The Annual Report can be accessed at www.tatateleservices.com

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of Tata Teleservices (Maharashtra) Limited will be held on **Tuesday, August 16, 2011 at 1500 hours at** Kamalnarayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021- to transact the following business:

ORDINARY BUSINESS

1. 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, 2011, 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, having Registration No. 117366W, 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. Amal Ganguli, who retires from the office of Director by rotation in this Annual General Meeting and being eligible offers himself for re-election, be and is hereby re-elected a Director of the Company, whose office shall be liable to retirement by rotation."

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

   "RESOLVED THAT Mr. D. T. Joseph, who retires from the office of Director by rotation in this Annual General Meeting and being eligible offers himself for re-election, be and is hereby re-elected a Director of the Company, whose office shall be liable to retirement by rotation."

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

   "RESOLVED THAT Prof. Ashok Jhunjhunwala, who retires from the office of Director by rotation in this Annual General Meeting and being eligible offers himself for re-election, be and is hereby re-elected a Director of the Company, whose office shall be liable to retirement by rotation."

SPECIAL BUSINESS

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. Narasimhan Srinath, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice pursuant to Section 257 of the Act, 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 an Ordinary Resolution:

   "RESOLVED THAT consent of the Company be and is hereby accorded pursuant to the provisions of Sections 269 and 316 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") read with Schedule XIII to the Act, and any other applicable laws and regulations, to the appointment of Mr. Narasimhan Srinath ("the Appointee"), who is also Managing Director of Tata Teleservices Limited, as Managing Director of the Company for a period of 3 years w.e.f. February 1, 2011.

   RESOLVED FURTHER THAT subject to superintendence, control and direction of the Board, the Appointee shall perform such duties and functions as may be commensurate with his position as Managing Director of the Company, and as may be delegated by the Board from time to time.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

Registered Office
Voltas Premises,
T. B. Kadam Marg,
Chinchpokli,
Mumbai - 400 033.

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

Mumbai
July 4, 2011

Madhav Joshi
Chief Legal Officer & Company Secretary

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 in respect of the business under Item Nos. 6 and 7 above are annexed hereto and forms part of this Notice. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors are also annexed.
3. The Register of Directors' Shareholding, Register of Proxies and Statutory Auditors' would be available for inspection by the Members, at the Meeting. All documents referred to in the accompanying Notice and Explanatory Statement are also open for inspection by the Members at the Registered Office of the Company on any day between 10.00 a.m. to 12.00 p.m. except Saturday, Sunday and Public Holiday up to the date of Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, August 5, 2011** to **Tuesday, August 16, 2011** (both days inclusive).
5. Members/proxies should bring duly filled Attendance Slips to attend the Meeting.

6. Members whose shareholding is in electronic mode are requested to direct change of address notifications to their respective Depository Participants.

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

Item No. 6 and 7 - Appointment of Mr. N. Srinath as Director and Managing Director

The Board of Directors ("Board") has appointed Mr. Narasimhan Srinath ("the Appointee" or "Mr. Srinath") as Additional Director of the Company w.e.f. February 1, 2011 and Managing Director of the Company for a period of 3 years w.e.f. February 1, 2011. Mr. Srinath is also Managing Director of Tata Teleservices Limited ("TTSL") and hence the appointment was made in compliance with the provisions of Section 316 of the Companies Act, 1956 ("Act"). Mr. Srinath would not draw any remuneration from the Company as Managing Director.

The Company and TTSL (which holds 37.65% of the total equity share capital of the Company) are working towards better operational and functional integration so as to take full advantage of operational synergies and to present a unified pan-India entity especially in reference to the common brands being used by each of these two entities. Similarly, the discerning enterprise customers across India must see the services as seamless without any issue with regard to the entities being legally distinct. The synergy in operations of the Company and TTSL could be achieved more efficaciously now that both the Companies have a common Managing Director.

Mr. Srinath aged 49 years, is Mechanical Engineer from IIT (Chennai) and has a Management Degree from IIM (Kolkata), specialising in Marketing and Systems. Since joining the Tata Administrative Services in 1986, Mr. Srinath has held positions in Project Management, Sales & Marketing, and Management in different Tata companies over the last 24 years.

Before joining the Company as Managing Director, Mr. Srinath was Managing Director of Tata Communications Limited.

The appointment of Mr. Srinath is by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) (l) of the Act. The terms and conditions of the appointment of Mr. Srinath also include provisions pertaining to adherence with the Tata Code of Conduct, intellectual property, non-competition, avoidance of conflict of interest with the Company and maintaining confidentiality. The appointment may be terminated by either party by giving to the other party six months' notice.

Upon the termination of the appointment, for any reason, whatsoever:

(i) the Appointee shall immediately tender his resignation from offices held by him in any subsidiaries and associated companies (excluding TTSL which would have a separate agreement with Mr. Srinath) without claim for compensation for loss of office; and

(ii) the Appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associated companies (excluding TTSL which would have a separate agreement with Mr. Srinath).

The draft of the Agreement proposed to be signed between the Company and Mr. Srinath is available for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 p.m. on any day except Saturday, Sunday and Public Holiday.

Mr. Srinath is a member of the Finance Committee, Executive Committee, Investors' Grievance Committee and Securities Committee of the Company. He does not hold any equity shares or any other securities in the Company as of date.

The Board considers that the Company would be benefited immensely from Mr. Srinath's appointment and therefore recommends the passing of these resolutions.

None of the Directors of the Company except Mr. Srinath is in any way concerned or interested in these resolutions.

Resolution No.7 read with this explanatory statement should be treated as an abstract of the terms of the appointment of Mr. Srinath as Managing Director as required under Section 302 of the Act.

The Board recommends the passing of these Resolutions in the interests of the Company.

Registered Office
Voltas Premises,
T. B. Kadam Marg,
Chinchpokli,
Mumbai - 400 033.

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

Mumbai
July 4, 2011

Madhav Joshi
Chief Legal Officer & Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative" by allowing service of notice/ documents including Annual Report by e-mail to members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or alternatively send an email to the Company at investor.relations@tatatel.co.in or the Registrars and Share Transfer Agent at csg-unit@tsrdarashaw.com

Details of Directors Seeking Re-appointment at the Annual General Meeting ("AGM")

Particulars	Mr. Amal Ganguli	Mr. Mr. D. T. Joseph	Prof. Ashok Jhunjhunwala	Mr. N. Srinath
Date of Birth	October 17, 1939	December 21, 1945	June 22, 1953	July 8, 1962
Date of Appointment	March 24, 2009 (Appointed by shareholders at the AGM held on August 13, 2009)	May 8, 2009 (Appointed by shareholders at the AGM held on August 13, 2009)	April 12, 2007 (last (re-appointment by shareholders at the AGM held on August 13, 2009)	February 1, 2011
Qualifications	Chartered Accountant, Member of the Institute of Chartered Accountants in England & Wales and the ICAI	Masters degrees in English Literature and Economics from the University of Madras and University of Manchester, respectively	B. Tech from IIT, Kanpur & MS and Ph. D degrees from the University of Maine	Mechanical Engineering from IIT (Chennai) and a Management Degree from IIM (Kolkata)
Expertise in specific functional area	Rich experience in Finance	Rich experience in Administration	Rich experience in Telecom	Rich experience in Telecom
Number of shares held in the Company (Including held by dependents)	Nil	Nil	4,700	Nil
Directorships held in other Public Companies#	• Maruti Suzuki India Ltd. • Tata Communications Ltd. • Century Textile & Industries Ltd. • ICRA Ltd. • HCL Technologies Ltd. • New Delhi Television Ltd. • Triveni Turbines Ltd. • AVTEC Ltd. • Hughes Communications India Ltd. • Aricent Technologies (Holdings) Ltd.	• Shreyas Shipping & Logistics Ltd. • Mundra Port & Special Economic Zone Ltd. • Ocean Sparkle Ltd. • West Asia Maritime Ltd. • Shreyas Relay Systems Ltd. • Dedicated Freight Corridor Corporation of India Ltd.	• Polaris Software Lab Ltd. • Tejas Networks Ltd. • Sasken Communications Technologies Ltd. • 3i Infotech Ltd. • Tata Communications Ltd. • Exicom Tele-Systems Ltd.	• Tata Communications Ltd. • Tata Teleservices Ltd. • Tata Business Support Services Ltd. • Viom Networks Ltd. • Viom Infra Networks (Maharastra) Ltd.
Memberships / Chairmanships of Committees* of other Public Companies#	**Audit Committee** • Maruti Suzuki India Ltd.** • Tata Communications Ltd.** • Century Textile & Industries Ltd. • ICRA Ltd. • HCL Technologies Ltd. • New Delhi Television Ltd.** • Triveni Turbines Ltd. • Hughes Communications India Ltd.** • Aricent Technologies (Holdings) Ltd.**	**Audit Committee** • Shreyas Shipping & Logistics Ltd. • Mundra Port & Special Economic Zone Ltd. • West Asia Maritime Ltd. • Shreyas Relay Systems Ltd.** • Dedicated Freight Corridor Corporation of India Ltd. **Investors Grievance Committee** • Mundra Port & Special Economic Zone Ltd.	**Audit Committee** • Polaris Software Lab Ltd. • Tejas Networks Ltd. • Sasken Communications Technologies Ltd. **Investors Grievance Committee** • Polaris Software Lab Ltd.	**Audit Committee** • Tata Business Support Services Ltd.

* Includes only Audit Committee and Shareholders / Investors Grievance Committee

\# Public Companies excluding Foreign Companies and Section 25 Companies

** Chairmanship of the Committee

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 16th Annual Report together with the audited financial statements of the Company for the year ended March 31, 2011 and other accompanying reports, notes and certificates.

Financial Results

The financial results of the Company's operations during the year are given below:

(Rs. in Crores)

Particulars	2010 - 11	2009 - 10
Telecom Revenue	**2,248.74**	2,069.10
Other Income	**67.20**	208.71
Profit on Sale of Long Term Investment	**834.93**	-
Total Income	**3,150.87**	2,277.81
Operation and Other Expenses	**1,818.50**	1,737.30
Provision for Contingencies	**185.60**	-
Earnings Before Interest, Depreciation, Tax and Amortisation ("EBIDTA")	**1,146.77**	540.51
Finance & Treasury Charges (Net)	**346.16**	317.62
Depreciation / Amortisation	**750.70**	520.89
Profit / (Loss) before tax	**49.91**	(298.00)
Wealth tax	**0.01**	0.01
Profit / (Loss) after tax	**49.90**	(298.01)

The total income for the year was Rs.3,150.87 Crores which included the profit on sale of the wholly owned subsidiary of Rs.834.93 Crores and telecom revenue of Rs.2,248.74 Crores, which was higher by 8%. Other income for the year was lower at Rs. 67.20 Crores as the scheme of subsidy from Department of Telecommunications ("DoT") under the Universal Service Obligations scheme ended on March 31, 2010. Operating expenses increased by 5%, mainly due to costs associated with the expanded rollout of GSM service besides operations of 3G services. The increase in expenses would have been higher but for the reduced handset subsidy and tighter control on expenses. The Company made a provision for Contingencies of Rs.185.60 Crores towards the outstanding claims/litigation. The Company reported EBIDTA of Rs.1,146.77 Crores (including profit on sale of subsidiary Rs.834.93 Crores), as compared to the previous year's EBIDTA of Rs.540.51 Crores. The depreciation was higher as it included an amount of Rs.184.81 Crores towards additional depreciation after re-estimation of the balance useful lives of certain items of plant and machinery. After taking into effect of the above, the Company made a profit after tax for the year of Rs.49.90 Crores.

India has the second largest telecom network in the world after China. As of April'2011, there were 861 million telephone connections in the country of which 827 million were wireless connections. Approximately 15-20 million mobile connections are being added every month. The national mobile tele-density is around 72 per hundred. The revenue growth however, is not in proportion to the subscriber growth, as many subscribers are having multiple SIMs from different operators which is facilitated by easy availability of the handsets supporting multiple SIMs.

The Company launched many services over the years involving significant investments and the new services like GSM and 3G are in the initial phase of gestation period. It is not uncommon for telecommunication service providers, due to high operation costs and inherently capital intensive industry, to have longer gestation period. The accumulated losses of the Company at the close of the year have exceeded its paid up capital and reserves, however, the Company is consistently making operating cash profits over the past few years.

The Company had availed of short term loans for payment of 3G licence fee and roll out of 3G network. The Company has got its Business Plan appraised by IDBI Bank Limited and is in the process of replacing the short term loans with the new long term loans. In May'2011, the Company has tied up for long term External Commercial Borrowings of USD 350 Million for refinancing of short term loans availed for 3G spectrum fees and for capex.

Products and Services

The Company holds two Unified Access (basic + cellular) Service Licences ("UASL"), one for Mumbai Metro and the other for Maharashtra circle i.e. Rest of Maharashtra and Goa. The current subscriber base of 16.85 million consists of CDMA wireless subscribers, GSM wireless subscribers and wireline subscribers.

During the year, the Company focused on increasing its retail presence to achieve a better market penetration for its various products and services. The highly successful launch of GSM services under Tata DOCOMO brand has given a significant boost to subscriber additions. The Company's total subscriber base as on March 31, 2011 stood at 16.85 million, an increase of 30% over the previous year. The Company's wireless subscriber base in Rest of Maharashtra circle crossed 10 million, and the Company now has the 3rd largest subscriber base in this geography. The Company's wireless subscriber base in Mumbai circle crossed 5.9 million subscribers and the Company now has the 2nd largest subscriber base in this geography. During the year, the Company registered highest incremental wireless subscriber additions of 14.3% and end of period market share of 16.7%.

CDMA & Wireline Services

The Company offers High Speed Internet Access ("HSIA") service under the Tata Photon Plus brand across Mumbai and major towns in Maharashtra and Goa. During the year, the Company increased its focus on CDMA's inherent data capabilities. Five additional Towns in Rest of Maharashtra circle, now have Photon plus wireless broadband services, offering speeds upto 3.1 Mbps. Value Added Services ("VAS") of Photon TV and the new Photon Music that ride on photon access, are innovative services for customers.

The Company continued to focus on value added service offerings. Data and VAS revenues have now grown to account for 27% of the wireless revenues. The Company introduced several attractive product and service propositions such as Mobile TV, Music downloads and Personalised Caller tunes. The Company was the first to launch a Wi-fi Router Hub on Photon plus and also on a dual hub supporting Photon plus and 3G.

Tata Photon plus, HSIA has been awarded the coveted "Product of the year 2011" for best innovation under the category Wireless Mobile Broadband Category. Earlier NDTV had rated

Tata Photon as the Gadget of the year 2010. It also received in June'2011, six outdoor advertising awards.

As you know, the Company obtained 3G spectrum in Rest of Maharashtra circle, where it was the first and fastest operator to launch 3G services in record time with a range of new services like Video Calling, Mobile TV and App Stores. The Company did not pursue its bid for 3G spectrum in Mumbai due to what it considers to be unreasonably high bids. The Company would however continue to address the market requirements through Tata Photon plus which is strongly established as a leader in high speed data access. HSIA has also been made available on a growing range of mobile handsets. The Company is also exploring the options for 3G roaming with other operators.

The Company has laid over 2,175 kms. of buried fibre across Mumbai and already connects over 20,000 buildings with broadband services. To expand the network further at optimal cost, the Company has entered into co-build agreement with other operators. The Company would continue to make investments to strengthen its Digital Mumbai offerings and would increase voice and data penetration in already wired buildings.

The Company is a Category A (National) ISP Licensee and offers a broad range of Internet-related services including Digital Subscriber Lines ("DSL"), leased lines and dial-up internet access. The Company, along with Tata Teleservices Limited ("TTSL"), has a national footprint for its Tata Indicom conference call service, with 15 Points of Presence across the country for providing local access to conference bridges.

The Company has also made significant investments in the Enterprise and Small and Medium Enterprise ("SME") business segment. It has further expanded its wireline presence in Mumbai, Maharashtra & Goa and added a range of Enterprise products and services to become a complete provider of all enterprise needs. The Company continues to have significant presence in the wireline segment.

Network quality and Customer service

As per the Indian Telecom Services Performance Indicators reports by TRAI, the Company's network is congestion free for last nine consecutive quarters.

The Company continues to improve on the quality of its customer services. Brand Tata DOCOMO offers easy and simple tariff plans, and easy to navigate customer care IVR and direct access to the customer care executives. The Company also scored a unique first, with the introduction of a Performance Guarantee for CDMA, for high concern areas of call drops, bill complaint resolution and wait time at the call center.

GSM Services

Tata DOCOMO introduced many innovative Value Added Services to customers, across Voice, Text & Data verticals. "My song" (Reverse Caller tune) was a first and a unique proposition in telecom space from Tata DOCOMO, which allows users to listen to their favourite songs when they call others. Keeping the consumers in mind Tata DOCOMO also introduced Jobs & Matrimony search on mobile which allows users to search the perfect Job and the right match for themselves. The Pay for what you use concept was extended to GPRS services i.e. pay per site plans. Innovative packaging of Talktime and Data was also done.

During the year, Tata DOCOMO was the first to launch 3G services. We now offer 3G services in 19 towns in Rest of Maharashtra circle. In 3G Services, Tata DOCOMO offers high speed mobile broadband, Multimedia & Video calling facility and other video based services like mobile TV, video on demand etc.

Network Rollout

During the year, the Company successfully expanded GSM wireless services under 'Tata DOCOMO' brand to reach 898 towns in Maharashtra and Goa. The Company has also entered into international bi-lateral agreement with more than 140 operators across different countries to offer seamless International roaming facility to Tata DOCOMO subscribers.

The 3G rollout by the Company is one of the fastest by any standards with integration of complex network elements.

The Company has also now spread CDMA voice and Photon Whiz services in 1,184 towns and provides HSIA service in Maharashtra and Goa.

During the year, the Company has focused on operational efficiency and quality control measures with a constant endeavor to further improve its network quality. The Company has also successfully unlocked the bandwidth potential in its existing transmission network and offered transmission bandwidth to the new operators.

Quality and Processes

The Company has undertaken ISO 9001:2008 certification to demonstrate its capability to consistently provide services that enhance customer satisfaction through effective deployment of a quality management system. The Company was the first basic telecommunication provider to get the coveted ISO 9001:2000 certification in August 2002. In the recent Surveillance audit for ISO 9001:2008 Certification conducted by TUV India in October 2010, the Company was awarded a Certificate of Continuation for ISO 9001:2008 with 'Nil' Non-Conformance.

The Company along with Tata Teleservices Limited has also recently been awarded the ISO 27001:2005 Certification, for Information Security Management System.

The Company is also taking active part in the Tata Business Excellence Model ("TBEM") process, with knowledge sharing and appropriate support being extended by Tata Quality Management Services ("TQMS"), a division of Tata Sons Limited.

The model enables the leadership to set direction of the organization based on its Vision, Mission and Values and to strategize its business priorities based on a variety of environmental factors like competition, industry, technology and regulatory changes as well as internal capabilities.

Human Resources

The Company assigns the highest degree of importance to its human resources which are very critical for a service organization like ours. The Human Resources ("HR") function of the Company constantly strives to achieve the mission of the Company by creating a favorable work environment and by institutionalizing a performance oriented work culture.

The Company has laid out strong processes to ensure it attracts and retains the right talent.

A rewards & recognition scheme for various awards is in place to encourage employees perform better.

The Company promotes a culture of innovation and has provided various forums (portals) for employees to post innovative ideas and suggestions. The Company recently won the best innovative idea award under the Tata Innovista program.

The Company strongly believes that coaching employees removes barriers and boundaries and this culture emphasizes individual and team achievement towards the common organizational goal.

Regulatory Developments and Important Litigation

There have been many regulatory changes, prominent amongst which are implementation of Mobile Number Portability across India on January 20, 2011, auction of 3G spectrum, initiation of process to formulate a comprehensive National Telecom Policy ("NTP") 2011 and National Frequency Allocation Plan 2011.

Detailed information on the regulatory developments and important litigation has been provided in the report on Management Discussion & Analysis of Financial Condition and Results of Operations which forms part of this Annual Report.

Directors

Effective May 20, 2010, Dr. Mukund Rajan resigned from the position of Director and Managing Director of the Company to take up responsibility in another Tata company. Mr. Anil Kumar Sardana was appointed as Managing Director of the Company with effect from May 20, 2010. Mr. Anil Kumar Sardana resigned from the position of Managing Director of the Company to take up responsibility in another Tata company with effect from close of business hours of January 31, 2011. Mr. Anil Kumar Sardana continued as a Non-Executive director of the Company till May 19, 2011. The Board and the Company record its sincere appreciation of the valuable services rendered and contribution by Dr. Mukund Rajan and Mr. Anil Kumar Sardana especially for bringing in considerable operational efficiency and advantages arising out of association with and working in tandem with TTSL, this has resulted in improving cost effectiveness by way of combined purchase negotiations, marketing campaigns and brand building, regulatory affairs. The Board appointed Mr. N. Srinath as the Additional Director and Managing Director of the Company w.e.f. February 1, 2011. The resolutions for appointment of Mr. N. Srinath as Director and Managing Director of the Company are included in the Notice convening Annual General Meeting of the Company. The Board recommends these resolutions for your approval.

In accordance with the provisions of Article 71 and 72 of the Articles of Association of the Company, Mr. Amal Ganguli, Mr. D. T. Joseph and Prof. Ashok Jhunjhunwala retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-election. The Board of Directors recommends their re-election.

Subsidiary

The Company had a Wholly Owned Subsidiary i.e. 21st Century Infra Tele Limited ("CITL") which was sold to Wireless - TT Info Services Limited (now Viom Networks Limited), the passive infrastructure subsidiary of TTSL, for net consideration of approximately Rs.956 Crores in May'2010.

Dividend & Appropriations

In view of the accumulated losses, the Directors regret their inability to recommend any dividend for the year under consideration. No appropriations are proposed to be made for the year under consideration.

Cost Audit

Pursuant to the Order No. F. NO. 52/26/CAB-2010 dated May 2, 2011 by Cost Audit Branch of Ministry of Corporate Affairs read with Section 233B of the Companies Act, 1956 ("Act") and subject to the approval of the Central Government, the Board of Directors of your Company has appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditor of the Company for the accounting year 2011-12.

Internal Auditors

The Board has empanelled select firms for handling various internal audits based on their experience effective April 1, 2011.

Statutory Auditors

M/s. Deloitte Haskins & Sells ("DHS"), Chartered Accountants, the present statutory auditors retire at this meeting and are eligible for re-appointment. The Audit Committee and the Board recommend their re-appointment.

Statutory Disclosures

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Act, the Directors, based on the representations received from the operating management, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
2. They have, in the selection of the accounting policies, consulted the Statutory Auditors, and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the period;
3. They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

They have prepared the annual accounts on a going concern basis.

Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 58A of the Act, and the rules made thereunder.

Balance Sheet Abstract and General Business Profile

Information pursuant to Department of Company Affairs' notification dated May 15, 1995, relating to the Balance Sheet Abstract and General Business Profile of the Company is given in the Annual Report for information of the shareholders.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The disclosures as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given below:

(i) Energy Conservation:

   a. Electricity is used for the working of the Company's telephone exchanges and other network infrastructure equipment. The Company regularly reviews power consumption patterns across its network and implements requisite improvements/

changes in the network or processes in order to optimize power consumption and thereby achieve cost savings.

b. Reduction of Diesel Generator ("DG") running during power cuts through DG on delay Management system.

c. Periodic energy audit and implementation of audit recommendations.

(ii) Technology Absorption: The Company has not imported any technology. The Company has not yet established separate Research & Development facilities.

(iii) Foreign Exchange Earnings and Outgo:

(Rs. in Crores)

Particulars	**2010-11**	2009-10
Earnings	**NIL**	NIL
Outgo	**11.27**	17.61
Capital Goods	**193.42**	577.51

Particulars of Employees

The particulars of employees as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, in pursuance of Section 219(1)(b)(iv) of the Act, this report is being sent to the shareholders of the Company excluding the aforesaid information. Any Member interested in obtaining a copy of such information may write to the Company Secretary at the registered office of the Company.

Corporate Governance

A report on Corporate Governance appears after this report. A certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants with regard to compliance with the corporate governance code by the Company is annexed hereto as Annexure I and forms part of this report.

The Company has fully complied with all mandatory requirements prescribed under Clause 49 of the listing agreements with the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Company has also implemented some of the non-mandatory provisions.

Corporate Sustainability

The contribution of the Tata group towards nation building has been far-reaching. As is the ethos of large Tata conglomerate, the Company too, has made small but significant contributions to this holistic canopy of corporate sustainability.

The Company has always promoted the highest standards of corporate ethics and compliance in dealing and conduct of its operations. The Company is committed to pursuing initiatives relating to environmental preservation, management of natural resources, community health, education and empowerment of children.

In keeping with the Tata Climate Change policy, the Company seeks to continuously find ways to reduce carbon footprint and leverage telecommunications reach for initiatives aimed at the benefit of society and the environment including sharing of tower infrastructure resulting in substantial reductions in energy consumption, encouraging use of audio and video conference instead of travel for reduction of carbon dioxide emissions, mountain greening, introduction of highly efficient power sources and air-conditioning equipment at its network centers, encouraging customers to switch to an e-bill instead of receiving printed bills, statements and receipts, encouraging employees to re-use stationery, introduction of print manager to discourage wasteful paper usage.

The Company generates awareness about various NGOs and their area of work. The Company inserts ad campaigns of the NGO in the monthly bills sent out to its customers. The initiative was launched to encourage people from different walks of life to engage in acts of giving be it in cash, time, skills or simple acts of kindness. Prior to the general elections, the Company launched a campaign urging voters to cast their votes after making an informed choice. The Company uses its wide subscriber network to create awareness through alerts say hightide timings during the monsoon via SMS alerts, and public services issues like Swine Flu prevention.

Unemployed youth from under-privileged families in rural areas, across various districts of Maharashtra, are chosen to undergo training to become electrical and telecom wiremen in a training program designed and supported by the Company. The telecom wiremen's training was conducted by the Company's engineers and managers. All the trainees were thereafter referred to franchisees/contractors in Company's areas of operations, and the Company also helped them get suitable jobs in their respective talukas.

The Company has in place a Safety Policy. The Safety Policy aims at ensuring zero harm to employees and material within and outside the office premises. The initiatives taken by the Company included:

- Safety sessions for all employees;
- Fire Mock drill once in every 6 month;
- Percolation of Safety Guidelines and Knowledge Management on health and safety through mailers (Do's & Don'ts during emergency, Ergonomic, Road Safety, articles related to Health, Safety during Fire, Flood and Earthquake etc.).

Acknowledgements

The Directors wish to place on record their sincere appreciation of the assistance and support extended by the employees, customers, financial institutions, banks, vendors, Government and others associated with the activities of the Company.

For and on behalf of the Board of Directors

Mumbai, June 28, 2011

Kishor A. Chaukar
Chairman

Annexure I

AUDITORS' CERTIFICATE

To the members of
Tata Teleservices (Maharashtra) Limited

We have examined the compliance of conditions of Corporate Governance by Tata Teleservices (Maharashtra) Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company, based on the records maintained by the Investors Services Department and as certified by the Compliance Officer of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

A. B. Jani
Partner
Membership No: 46488

Mumbai, Dated: April 26, 2011

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2011, received from the Senior management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the General Manager cadre and above and the Company Secretary as on March 31, 2011.

Mumbai
April 26, 2011

Mr. N. Srinath
Managing Director

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-11

STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in the highest standards of good and ethical corporate governance practices. The Company's Board of Directors ("the Board") has adopted the Tata Code of Conduct for its employees including its senior management and Managing Director. The Company has also adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the website of the Company i.e. www.tatateleservices.com. The Company's corporate governance philosophy has been further strengthened through the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

TATA CODE OF CONDUCT

The Tata Code of Conduct governs:

(a) Conduct of business in consonance with national interest;

(b) Fair and accurate presentation of financial statements;

(c) Being an Equal Opportunities employer;

(d) Prohibition of taking gifts and donations, which can be perceived to be intended to obtain business or uncompetitive favours;

(e) Practicing political non-alignment;

(f) Maintaining quality of products and services;

(g) Being a good Corporate Citizen;

(h) Ethical conduct; and

(i) Commitment to enhancement of shareholder value.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations, 1992 ("Regulations"), the Company had framed a Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code") for prevention of insider trading and ensuring timely disclosures of all material price sensitive information in a transparent manner. In terms of the Code, specified persons (Directors/Officers/ Designated Employees) of the Company are prohibited from dealing in the securities of the Company during the period when the Trading Window is closed. The Trading Window for dealing in securities of the Company is closed for the following purposes, namely (a) declaration of financial results (quarterly, half-yearly and annual), (b) declaration of dividends (interim and final), (c) issue of securities by way of public/rights/bonus issue etc., (d) any major expansion plans or execution of new projects, (e) amalgamation, mergers, takeovers and buy-back, (f) disposal of whole or substantially whole of the undertaking, and (g) any significant changes in policies, plans or operations of the Company. In respect of declaration of financial results, the Trading Window remains closed from the end of the respective quarter, half-year or financial year, as the case may be. As regards declaration of interim dividend and other matters referred to in (c) to (g) above, Managing Director/Chief Executive Officer is required, well before initiation of such activity/project, to form a core team of Designated Employees and/or Designated Group Persons who would work on such assignment. Managing Director/Chief Executive Officer is also required to designate a senior employee who would be in-charge of the project. Such team members are required to execute an undertaking not to deal in the securities of the Company till the Price Sensitive Information regarding the activity/project is made public or the activity/project is abandoned and the Trading Window would be regarded as closed for them. The Trading Window is opened 24 (twenty-four) hours after the information referred to above is made public.

WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, which affords protection and confidentiality to whistle blowers. The Audit Committee Chairman is authorized to receive from whistle blowers Protected Disclosures under this policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made by whistle blowers in accordance with the policy.

No class of personnel has been denied access to the Audit Committee.

Code of Conduct

All Directors and senior management personnel have affirmed compliance with the respective Codes for the financial year ended March 31, 2011. The declaration by Managing Director in this respect appears elsewhere in this Annual Report.

BOARD OF DIRECTORS

Composition

As on March 31, 2011, the Company had 10 Directors with a Non-Executive Chairman. 9 (90%) Directors were Non-Executive, and 5 (50%) of them were Independent Directors. The Company is managed by Managing Director under the supervision and control of the Board. Managing Director is assisted by a team of highly qualified and experienced professionals.

The Board has agreed that Non-Executive Directors are not and shall not be responsible for the day-to-day affairs of the Company.

None of the Directors is a member in more than 10 mandatory committees nor acts as a Chairman in more than 5 mandatory committees across all public companies in which he is a Director.

The Board composition and the number of Chairmanships/ Directorships of the Board and Chairmanships/Memberships of the Committees of the Board held by each of the Directors as on March 31, 2011 is given below.

Name of the Director	Category	Number of Shares held in the Company including shares held by dependents	Relationship with other Directors	No. of Directorships in all Public Companies *		No. of Committee Positions held in all Public Companies**	
				Chairman	Member	Chairman	Member
Mr. Kishor A. Chaukar (Chairman)	Non-Executive	-	None	4	9	1	4
Mr. Amal Ganguli	Independent Non-Executive	-	None	-	11	5	5
Mr. Nadir Godrej	Independent Non-Executive	-	None	3	10	1	2
Prof. Ashok Jhunjhunwala	Independent Non-Executive	4,700	None	-	8	1	5
Mr. D. T. Joseph	Independent Non-Executive	-	None	-	7	1	5
Mr. N. S. Ramachandran	Independent Non-Executive	-	None	-	2	1	2
Mr. S. Ramadorai	Non-Executive	-	None	6	7	4	5
Mr. Anil Sardana	Non-Executive	-	None	1	7	-	-
Mr. Kochi Takahara	Non-Executive	-	None	-	1	-	-
Mr. N. Srinath (Managing Director)	Executive	-	None	-	6	-	2

* Excludes alternate directorships and directorships in private, foreign and Section 25 companies.

** Represents Chairmanships / Memberships of only Audit Committee and Shareholders / Investors' Grievance Committees across all public limited companies (listed as well as unlisted) including those of the Company.

Board Meetings and General Meeting

The Board met at least once in each quarter and the maximum time gap between two Board meetings did not exceed the limit prescribed in Clause 49 of the listing agreement. Eight meetings of the Board were held during the financial year ended on March 31, 2011. The meetings of the Board were held on April 30, 2010, May 20, 2010, July 29, 2010, August 9, 2010, October 25, 2010, January 13, 2011, January 27, 2011 and March 4, 2011. The details of participation of the Directors of the Company during the financial year ended March 31, 2011 in Board Meetings and Annual General Meeting ("AGM") of the Company is as under:

Name of the Director	No. of Board Meetings during 2010-11		Whether attended AGM held on August 9, 2010
	Held	Attended	
Mr. Kishor A. Chaukar	8	8	Yes
Mr. Amal Ganguli	8	3@	No
Mr. Nadir Godrej	8	6@	Yes
Prof. Ashok Jhunjhunwala	8	7	Yes
Mr. D. T. Joseph	8	6	Yes
Dr. Mukund Rajan%	2	1	Not Applicable
Mr. N. S. Ramachandran	8	7	Yes
Mr. S. Ramadorai	8	5	Yes
Mr. Anil Kumar Sardana	8	6	Yes
Mr. Kochi Takahara	8	7	Yes
Mr. N. Srinath*	1	1	Not Applicable

% Ceased to be a Director w.e.f. May 20, 2010.

@ In addition also participated in one meeting over teleconference.

* Appointed as Additional Director and Managing Director w.e.f. February 1, 2011, details provided from the date of appointment.

All information required to be placed before the Board of Directors under Clause 49 of the listing agreements, has been duly placed. Dates of the Board/Committee Meetings in the ensuing year are decided before the start of the financial year and are communicated to all the Directors. Additional meetings of the Board are held when deemed necessary by the Board. The Agenda along with the explanatory notes is sent in advance to the Directors.

Directors' Remuneration

None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

Independent Directors: Sitting fees of Rs.15,000/- per head per meeting was paid to the Independent Directors for physically attending meetings of the Board, Audit and Remuneration Committees and Rs.5,000/- per head per meeting for other Committee meetings.

Non-Executive Non-Independent Directors: No sitting fees is paid to Non-Executive Non-Independent Directors.

The Company also reimburses out-of-pocket expenses incurred by the Directors for attending Meetings and for business of the Company.

The Company has paid remuneration by way of salary, allowances, retiral benefits, perquisites, and performance pay to its Managing Director. Increments are decided by the Remuneration Committee within the salary scale approved by the Members and the limits approved by the Central Government. The contract with Managing Director may be terminated by either party by giving six months notice or the Company paying six months salary in lieu thereof. There is no separate provision for payment of severance fees. Mr. N Srinath, who has been appointed Managing Director of the Company effective February 1, 2011 will not draw any remuneration from the Company.

None of the Directors has been issued any stock options by the Company during the year or anytime in the past.

The details of remuneration paid by the Company to its Directors during the financial year 2010-11 are as follows:

A) Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)
Mr. Kishor A. Chaukar	-
Mr. Amal Ganguli	60,000
Mr. Nadir Godrej	90,000
Prof. Ashok Jhunjhunwala	1,65,000
Mr. D. T. Joseph	90,000
Mr. N. S. Ramachandran	1,85,000
Mr. S. Ramadorai	-
Mr. Koichi Takahara	-

B) Managing Director (in Rupees)

Name of the Director	Salary	Allowances	Retirals & Perquisites	Performance Pay*	Total
Dr. Mukund Rajan@	3,45,484	1,72,742	10,79,507	56,40,000	72,37,733
Mr. Anil Kumar Sardana#	5,03,342	43,29,456	-	-	48,32,798

* Performance Pay for FY 2009-10 was paid in 2010-11.

@ Remuneration paid for the period April 1, 2010 to May 20, 2010.

Remuneration paid for the period May 20, 2010 to January 31, 2011.

AUDIT COMMITTEE

Composition

The Audit Committee of the Board of the Company has been constituted in compliance with the provisions of Clause 49 of the listing agreement read with Section 292A of the Companies Act, 1956 ("Act") and comprises 4 members. All of them are Non-Executive Directors and 3 of them are Independent Directors. The Committee functions under the Chairmanship of Prof. Ashok Jhunjhunwala. The Audit Committee meetings are also attended by Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors. The functional heads are also invited as and when required. The Company Secretary acts as the Secretary to the Committee. The composition of the Committee is as follows:

Name of Member	Category	No. of Meetings during 2010-11	
		Held	Attended
Prof. Ashok Jhunjhunwala, (Chairman)	Independent, Non-Executive	4	4
Mr. N. S. Ramachandran	Independent, Non-Executive	4	4
Mr. S. Ramadorai	Non-Executive Director	4	2
Mr. Amal Ganguli*	Independent, Non-Executive	2	1**

* Appointed a member of the Audit Committee on August 9, 2010.

** In addition, participated in one meeting over teleconference.

The Audit Committee met at least once in each quarter and the maximum time gap between two Audit Committee meetings did not exceed the limit prescribed in Clause 49 of the listing agreement. Four Audit Committee meetings were held during the financial year ended on March 31, 2011. The meetings were held on April 29, 2010, July 29, 2010, October 25, 2010 and January 27, 2011.

Terms of Reference

The terms of reference for the Audit Committee are broadly as under:

a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval of payment for any other services.
c) Reviewing the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any related party transactions as per Accounting Standard 18.
d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and ensuring compliance therewith.
e) Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, and coverage and frequency of internal audit.
f) Discussing with internal auditors any significant findings and follow up thereon.
g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting these matters to the Board.
h) Discussing with external auditors before the commencement of the audit about the nature and scope of audit as well as having post-audit discussions to ascertain any areas of concern.
i) Reviewing the Company's financial and risk management policies.
j) Looking into reasons for any substantial defaults in payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
k) Reviewing the functioning of the Whistle Blower Policy adopted by the Company.
l) Reviewing the report on Management Discussion & Analysis of Financial Condition and Results of Operations, to be included in the Company's Annual Report to its shareholders.

Management Discussion & Analysis of Financial Condition and Results of Operations, statements of related party transactions, internal audit reports, fraud-related reports, quarterly results, management letters from auditors, proposals and terms of appointment of internal auditors have been regularly placed before the Audit Committee for review during the financial year 2010-11.

INVESTORS' GRIEVANCE COMMITTEE

Composition & Terms of Reference

The Investors' Grievance Committee of the Board looks into redressal of the shareholders' complaints in respect of any matter including transfer of shares, non-receipt of annual report, dematerialization of shares, issue of duplicates and renewed share certificates, etc. During the financial year 2010-11, the Committee met once on March 4, 2011. The Committee is authorized to delegate its powers to officers and employees of the Company and/or of the Company's Registrar and Share Transfer Agent. The delegates regularly attend to share transfer formalities at least once every 15 days. The Composition of the Committee is as follows:

Name of Member	Category	No. of Meetings during 2010-11	
		Held	Attended
Mr. N. S. Ramachandran (Chairman)	Independent, Non-Executive Director	1	1
Mr. N. Srinath	Executive Director	1	1

Mr. Madhav Joshi, Chief Legal Officer & Company Secretary, is the Compliance Officer of the Company.

The details of complaints received and redressed during the year is as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	155	154	1*

* since resolved.

The status of complaints is reported to the Board on a quarterly basis.

REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee for the purpose of approving from time to time, the remuneration payable to Managing Director and Executive Director/s and to discharge any other duties and functions as may be specified under the law, or to perform such task/s as may be entrusted by the Board from time to time. During the financial year 2010-11, the Committee met once on June 10, 2010. The Company's Remuneration Committee comprises 3 Directors, all of whom are Non-Executive Directors and two are Independent Directors. The Committee's composition is as under:

Name of Member	Category	No. of Meetings during 2010-11	
		Held	Attended
Mr. N. S. Ramachandran, (Chairman)	Independent, Non-Executive Director	1	1
Prof. Ashok Jhunjhunwala	Independent, Non-Executive Director	1	-*
Mr. Kishor A. Chaukar	Non-Executive Director	1	1

* Prof. Ashok Jhunjhunwala participated over teleconference.

The Board has also constituted other Committees i.e. Ethics and Compliance Committee to consider matters relating to Insider Trading Code**,** Nominations Committee to make recommendations regarding the composition of the Board and identification of Independent Directors to be inducted on the Board and take steps to refresh the composition of the Board from time to time, and Executive Committee to review business and strategy.

RISK MANAGEMENT

The Company has devised a formal Risk Management Framework for risk assessment and minimisation. Further, the Company assesses the risk management framework periodically. The scope of the Audit Committee includes review of the Company's financial and risk management policies.

GENERAL BODY MEETINGS

The Company's first statutory meeting was held on April 24, 1995. Till date, the Company has held 15 AGMs and 13 Extra Ordinary General Meetings of the shareholders. The details of the last 3 AGMs are as under:

Particulars	Date	Venue
13th AGM	August 12, 2008	Mumbai
14th AGM	August 13, 2009	Mumbai
15th AGM	August 9, 2010	Mumbai

Details of special resolutions passed in the above referred meetings are as under:

Particulars of the AGM	Section under which resolution was passed	Purpose
15th AGM held on August 9, 2010	Section 198, 269, 309 and 316 of the Companies Act, 1956	Appointment of Mr. Anil Kumar Sardana as Managing Director and remuneration for a period of 3 years.
	Common Seal and Execution of Documents	Amendment of Article 91 to simplify provisions for affixation of the common seal.

POSTAL BALLOT

No postal ballot was conducted during the financial year ended on March 31, 2011.

RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions during the year, which in the opinion of the Board may have potential conflicts with the larger interests of the Company. Apart from paying sitting fees, there was no pecuniary transaction undertaken by the Company with the independent/ non-executive directors during the year ended March 31, 2011. Transactions with related parties are disclosed in Note No. 15 of Schedule 17 to the Accounts in the Annual Report.

COMPLIANCE WITH CAPITAL MARKET LAWS

There has neither been any non-compliance on the part of the Company on any matter related to capital markets during the last three years, nor have any penalties or strictures been imposed on the Company in this respect.

As required under Clause 49 of the listing agreement, for the financial year 2010-11, the Company has submitted to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, quarterly compliance reports signed by the Compliance Officer of the Company, confirming compliance with the mandatory requirements of the said Clause.

MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published in Marathi and English Newspapers. The financial results, shareholding patterns, press releases, and presentations made to institutional investors and analysts are also available on the website of the Company i.e. www.tatateleservices.com.

CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENTS

The certificate as required under Clause 49 of the listing agreement is furnished by Managing Director and the Chief Financial Officer of the Company to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls.

IMPLEMENTATION OF NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

The Company has implemented the nonmandatory corporate governance requirements prescribed under Clause 49 of the listing agreement with the stock exchanges with respect to Remuneration Committee and Whistle Blower Policy.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis is attached and forms part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

The ensuing Sixteenth Annual General Meeting is scheduled to be held on Tuesday, August 16, 2011 at 1500 hours at Kamalnarayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021.

Financial Year

The Company follows the April - March, financial year. The financial results for first, second (half yearly) and third quarters are generally published in July, October and January respectively. Annual audited financial results are generally published in April/May/June. The financial results are uploaded on the Company's website.

The same are also uploaded on the website of the Corporate Filing and Dissemination System viz. www.corpfiling.co.in and are available for public viewing effective from April 1, 2010 as Securities and Exchange Board of India ("SEBI") has discontinued Electronic Data Information Filing and Retrieval System ("EDIFAR") site w.e.f. April 1, 2010.

Date of Book Closure

The share transfer books & the Members' register will be closed between Friday, August 5, 2011 to Tuesday, August 16, 2011 (both days inclusive) for the purposes of the Sixteenth Annual General Meeting.

Listing on the Stock Exchanges and Stock Code

The Company's equity shares are listed on the following exchanges:

Bombay Stock Exchange Limited ("BSE") P. J. Towers Dalal Street Mumbai - 400 023.	The National Stock Exchange of India Limited ("NSE") Exchange Plaza, 5th floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
Stock Code : 532371	Stock Symbol : TTML

The Company has paid annual listing fees to both the stock exchanges within the stipulated time.

Market Price Data

The High & Low on closing price of the Company's shares during each month in the last financial year, were as follows:

(Amount in Rupees)

Month	BSE		NSE	
	High	Low	High	Low
April 2010	24.80	23.00	24.85	23.00
May 2010	22.95	19.10	23.05	19.05
June 2010	22.80	19.30	22.85	19.30
July 2010	22.85	21.35	22.85	21.35
August 2010	24.80	22.45	24.90	22.40
September 2010	23.65	22.05	23.65	22.10
October 2010	24.85	22.50	24.90	22.50
November 2010	23.40	18.80	23.40	18.75
December 2010	19.95	18.35	20.00	18.35
January 2011	20.15	17.20	20.10	17.20
February 2011	16.95	14.40	17.00	14.40
March 2011	17.10	14.79	17.10	14.75

Performance of the Company's Share Price in comparison to BSE and NSE indices

The performance of TTML's Share Price vis-à-vis the broad based BSE and NSE indices during the financial year 2010-11 is as under:

Particulars	TTML Share Price v/s BSE		TTML Share Price v/s NSE	
	TTML Share Price (Rs.)	BSE Sensex	TTML Share Price (Rs.)	NIFTY
As on April 1, 2010	23.80	17,692.62	23.90	5,290.50
As on March 31, 2011	17.10	19,445.22	17.10	5,833.75
Change (%)	(28.15)	9.91	(28.45)	10.27

Registrar and Share Transfer Agents

The Company has appointed TSR Darashaw Limited (formerly Tata Share Registry Limited) as its Registrar & Share Transfer Agents. Shareholders are advised to approach TSR Darashaw Limited ("TSR") on the following address for any shares & demat related queries and problems:

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai 400 011.
Tel.: 91 22 6656 8484
Fax: 91 22 6656 8496
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Share Transfer System

All physical share transfers are handled by TSR. The transferee is required to furnish the transfer deed duly completed in all respects together with the share certificates to TSR at the above said address in order to enable TSR to process the transfer. As regards transfers of dematerialized shares, the same can be effected through the demat accounts of the transferor/s and transferee/s maintained with recognized Depository Participants.

Distribution of Shareholding

The broad shareholding distribution of the Company as on March 31, 2011 with respect to categories of investors was as follows:

Category of Investors		Percentage of Shareholding	
		As on March 31, 2011	As on March 31, 2010
Promoters & Promoter Group Companies	Indian	65.60*	65.60
	Foreign	12.12	12.12
International Investors (FIIs / NRIs / OCBs / Foreign Banks / Foreign Corporate Bodies)		1.73	1.49
Indian Financial Institutions / Banks / Mutual Funds		0.42	0.76
Private Bodies Corporate		2.24	2.60
Individuals		17.89	17.43
TOTAL		**100.00**	**100.00**

* As on March 31, 2011, Tata Teleservices Limited (Promoter) has pledged their shareholding equivalent to 26% (Shares pledged by Promoters of the Company as on March 31, 2010 was 49.7%) of the Company's total paid-up capital to secure the term loans/facilities availed by the Company.

The broad shareholding distribution of the Company as on March 31, 2011 with respect to size of holdings was as follows:

Range (No. of Shares)	% of Paid-up Capital	% of Total No. of Shareholders
1 to 500	4.20	75.03
501 to 1000	3.15	13.66
1001 to 2000	2.64	6.24
2001 to 3000	1.38	1.95
3001 to 4000	0.81	0.82
4001 to 5000	0.92	0.71
5001 to 10000	1.94	0.96
10001 and above	84.96	0.63
Total	**100.00**	**100.00**

The Company had a total of 5,12,872 shareholders as on March 31, 2011.

The quarterly shareholding patterns filed with the stock exchanges are also uploaded on the website of the Company and the same are also uploaded on the website of the Corporate Filing and Dissemination System viz. www.corpfiling.co.in and are available for public viewing effective from April 1, 2010 as SEBI has discontinued EDIFAR site w.e.f. April 1, 2010.

Dematerialization of Shares & Liquidity

As of March 31, 2011, 99.83% of the total equity shares issued by the Company have been dematerialised. The equity shares of the Company are under compulsory dematerialized form. The equity shares of the Company are available for dematerialisation with both the depositories in India i.e. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

Outstanding Employee Stock Options, GDRs, ADRs, etc.

The Company has not issued any GDRs/ADRs/Warrants. There are no outstanding Foreign Currency Convertible Bonds ("FCCBs") and Employee Stock Options.

Where we offer service

The Company now offers GSM service in 898 Towns and CDMA services in 1,184 towns in the States of Maharashtra and Goa through its telephone exchanges located at Turbhe (Navi Mumbai), Nariman Point (Mumbai), Marol (Mumbai), Andheri (Mumbai), Pune, Nasik, Panjim, Nagpur, and Kolhapur.

Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity share related correspondence /queries to TSR and only the non-share related correspondence and complaints regarding TSR should be addressed to the Compliance Officer at the registered office of the Company. Shareholders holding shares in electronic mode (dematerialized) should address all shares-related correspondence to their respective Depository Participants only.

Auditors' Certificate

The certificate dated April 26, 2011 issued by M/s. Deloitte Haskins & Sells, Statutory Auditors on compliance with the Corporate Governance requirements by the Company is annexed to the Directors' Report.

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Industry Structure and Developments

The Indian telecom services sector has witnessed tremendous subscriber growth, primarily driven by intense competition, entry of new operators and falling tariffs. Today, India has the second largest telecom network in the world after China. As of April'2011, there were more than 861 million telephone connections in the country of which 827 million were wireless connections. Approximately 15-20 million mobile (SIM) connections are being added every month. The national mobile tele-density is around 72 per hundred. Mobile Number Portability ("MNP") was launched across the country on January 20, 2011.

Urban Teledensity is around 160% with presence of multiple SIMs while the rural teledensity is around 35%.This highlights major growth potential in rural areas. Indian telecom companies have been expanding their networks and are significantly increasing their geographical coverage in rural India.

In India, there are various kinds of telecom service licences, including access licences, i.e. basic/fixed service, cellular, Unified Access (basic + cellular) service; carrier licences, i.e. national long distance and international long distance; licences for internet services; VSAT licences; and IP-1 registration for passive infrastructure (towers, ducts, fibre). Unified Access Service Licence ("UASL") operators like the Company can provide, besides fixed & mobile services, internet, internet telephony and broadband services under their UASL licence. Unrestricted competition is allowed in all the categories.

REGULATORY DEVELOPMENTS

Details of major developments on the regulatory front are as under:

- **National Telecom Policy 2011:** The Department of Telecommunications ("DoT") has initiated the process to formulate a comprehensive National Telecom Policy ("NTP") 2011. This will take into account the changes that have taken place in the industry since NTP 1999. A Committee has been constituted with Additional Secretary (T) and Advisor (T) as the co-chairman and DDGs as Members. Two rounds of the meetings have already taken place since then and eight sub-groups have been constituted to work on specific areas. Hon'ble Minister of Communications Mr. Kapil Sibal has held round table conferences with stake-holders on broadband, Unified licence.
- **National Frequency Allocation Plan 2011:** The current policy document on spectrum viz. the National Frequency Allocation Plan- 2008 ("NFAP-2008") was made effective from April 1, 2009. The fast emergence of new wireless technologies and applications necessitated the review of NFAP-2008. Accordingly, the review/ revision of NFAP has been undertaken by DoT and draft NFAP 2011 has been published.
- **Access Deficit Charges** a levy paid by private telecom operators to Bharat Sanchar Nigam Limited ("BSNL") for meeting the cost of unprofitable operations in rural areas, was abolished by The Telecom Regulatory Authority of India ("TRAI") w.e.f. April 1, 2008. Telecom Disputes Settlement Appellate Tribunal ("TDSAT") on petition by BSNL upheld TRAI action. Appeals have been filed by BSNL before Supreme Court against these orders of the TDSAT. Being statutory appeals these have been admitted by Supreme Court. However, no stay of TDSAT order has been granted.
- **Audit by The Comptroller and Auditor General ("CAG"):** The Association of Unified Telecom Service Providers of India ("AUSPI") alongwith with its members has filed a Petition before TDSAT challenging the letters dated March 16, 2010 whereby DoT sought information from the Telecom Service Providers for audit by CAG. The Petition challenges the powers of CAG to audit the accounts of private companies and Rules 5(b) of the TRAI Service Providers (Maintenance of Books of Accounts and other Documents) Rules 2002. The TDSAT has struck down the said appointment. A Petition challenging the aforesaid Rules is pending before the Delhi High Court.
- **Public Interest Litigation ("PIL") in Supreme Court:** Mr. Prashant Bhushan, Advocate has filed a PIL before the Supreme Court of India challenging the Policy of 'First Cum First Service' based upon the press release dated January 10, 2008 and all actions taken pursuant thereto including cancellation of licences and allocation of spectrum as a result thereof. TRAI had recommended cancellation of some licences as the licensees failed to meet in time the roll-out obligations embodied in the UAS licenses. Similar Petition has been filed by Dr. Subramanium Swami as well. In both the PILs the arguments had been concluded and judgement is reserved by the Supreme Court.
- **Dual technology**: DoT had issued on October 19, 2007, a press release permitting the use of alternate wireless technologies by UAS Licensees. UAS Licensees who were using CDMA technology for wireless access are now permitted to use GSM technology and vice-versa. In August 2008, the Hon'ble Delhi High Court upheld the Government's decision. On March 31, 2009, TDSAT dismissed a petition filed by the Cellular Operators Association of India ("COAI") and other GSM operators against the Government's decision to allow dual technology. TDSAT also directed DoT to immediately review the subscriber base of BSNL and Mahanagar Telephone Nigam Limited ("MTNL") in all the circles and withdraw the spectrum allocated beyond the criteria laid down by DoT. The Hon'ble Supreme Court on appeals by BSNL and MTNL has for the time being, stayed such requirement to surrender the spectrum. COAI has also filed appeal before the Supreme Court against the order of TDSAT.
- **Telecommunication Interconnection Usage Charges Regulation, 2003:** The TRAI amended Telecommunication Interconnection Usage Charges Regulation, 2003 vide Telecommunication Interconnection Usage Charges (Tenth Amendment) Regulations, 2009 which became effective from April 1, 2009 reduced termination charges for all types of domestic calls viz. fixed to fixed, fixed to mobile, mobile to fixed and mobile to mobile to 20 paise per minute from 30 paise per minute, and increased termination charges for incoming international calls to 40 paise per minute from 30 paise per minute. This change has been challenged by incumbent operators before the TDSAT. The Company, Tata Teleservices Limited ("TTSL") and AUSPI have filed an appeal demanding a 'Bill & Keep' arrangement. Arguments in all these appeals have been concluded in March'2010. The TDSAT vide its judgment dated September 29, 2010 had remanded the matter for fresh consideration by TRAI in a time bound manner after holding consultation with all

the stakeholders. TRAI has filed statutory appeal against the said judgement of TDSAT in Supreme Court, inter alia challenging the powers TDSAT to interfere with the regulations framed by TRAI. The appeal has been admitted and would come up for hearing in due course, however there is no stay in the interim.

- **Telecom Commercial Communications Customer Preference Regulations, 2010**: TRAI has announced a new Unsolicited Commercial Communications ("UCC") Regulation in December, 2010. It has been amended 5 times and the final date of implementation is still awaited from TRAI.
- **Spectrum**

  (a) Allocation of 3G Spectrum

  The Company has succeeded in winning the bid for 3G spectrum in Maharashtra circle (excluding Mumbai but including Goa) with a bid value of Rs.1,257.82 Crores. The Company received 3G Spectrum in September'2010 and was able to launch 3G services in November'2010, the first private operator to launch the same.

  DoT asked all 3G operators to withdraw certain 3G services for security reasons and subsequently allowed them on January 14, 2011 with some requirements to be completed before end of June'2011.

  (b) Guidelines for allocation of additional Spectrum

  Based on TRAI recommendations (which discriminate between GSM and CDMA operators by allotting spectrum in a 2:1 ratio based on the unsubstantiated presumption that CDMA technology is significantly more spectrum efficient), DoT issued fresh spectrum allocation guidelines in January'2008, increasing substantially the subscriber number thresholds, making it more difficult for established service providers to acquire more spectrum and improve their quality of service to subscribers. DoT had set up a committee on June 16, 2008 to review the spectrum allocation criteria. TDSAT, in a recent judgment, has held that the TRAI recommendations were made in a non-transparent manner and has advised DoT to issue fresh guidelines after getting the Second Spectrum Committee report. Second Committee submitted its report on May 13, 2009 recommending auction of 2G spectrum beyond initial allotment of spectrum of 4.4 MHz. Report had been referred by DoT to TRAI. TRAI has submitted its recommendation on Spectrum Management and Licencing Framework on May 11, 2010.

  In its recommendation of May 11, 2010, TRAI has capped the spectrum allotment to GSM and CDMA. It has recommended that committed spectrum is 6.2 MHz for GSM and 5 MHz in respect of CDMA. 'Prescribed limit' of spectrum i.e. the amount of spectrum that can be assigned by the Government would be 8 MHz/5 MHz (GSM/CDMA) in the whole of the country except in the metro service areas of Delhi and Mumbai, where it would be 10 MHz/6.25 MHz. However, spectrum assigned beyond committed amount of 6.2/5 MHz (GSM/CDMA) will be paid for at the 'Current Price'. TRAI has submitted on February 8, 2011, supplementary recommendations on Current Price for 1,800 MHz spectrum. TRAI has also recommended licence fees to be brought down to 6% over the next four years and has made recommendations for facilitating Mergers & Acquisitions. DoT is yet to take decision on these recommendations.
- **Security Clearance Before Purchase of Equipment:** DoT vide letter dated December 3, 2009 has amended the UASL agreement asking all the service providers to take security clearance from DoT before placing purchase orders. Almost after a year, some relaxations were announced and the operators are permitted to import equipment when they submit legal undertakings. Fresh guidelines have been announced by DoT on May 31, 2011 which include some relaxations.
- **Re-verification of Mobile Subscribers:** DoT vide their letter dated September 30, 2009, has allowed all the operators to re-verify the subscribers from October 1, 2009 till October 31, 2010 to avoid penalty. The date was further extended first till December 31, 2010 and then on representation by Apex Committee on Telecom ("ACT"), finally till March 31, 2011.
- **Quality of Service (QoS):**
  - ➢ For customer complaints, service requests, Value Added Services (VAS) deactivation and service termination, toll free number 198 has been activated. This will be a common number for all service providers for all products.
  - ➢ Performance parameters of Network, Billing and Customer Care are required to be published on the website each quarter. An online Telecom Consumers Grievance Monitoring System is likely to be introduced.
- **Efficient Utilisation of Numbering Resources:** The availability of new numbers is under severe pressure in view of the rapid growth of mobile connections. The TRAI has initiated discussions to review the current method of allocation and sought suggestions for making more numbers available in the 10 digit format. They are also considering for the long term the feasibility of using 11 digit format. The possibility of re-allocation of levels now allotted for fixed line numbers to mobile is high. DoT vide their letter dated February 7, 2011 has changed the criterion for allocation of new numbering levels which is discriminatory towards new entrants like the Company in GSM field. Representations have been made by associations.

Opportunities and Threats

The Company offers CDMA and GSM telecom services in Mumbai and Maharashtra (comprising Maharashtra and Goa states) telecom circles. The Company successfully launched GSM services in August'2009, as a result of which it today has one of the most complete portfolios of telecom services in the country including landline, wireless (CDMA & GSM), voice, data and broadband services.

The Company won 3G Spectrum in Rest of Maharashtra (including Goa) Circle during the 3G Spectrum auctions held in April-May'2010. The Company believes that this region of over 100 million people comprising of rapidly growing cities such as Pune, Nasik, Aurangabad, Vasai and Nagpur has high growth potential and would help Company in further strengthening its market positioning.

In Mumbai, which in comparison has a significantly smaller population of around 20 million people, the Company already has multiple telecommunication assets including its EDGE enabled GSM platform, a substantial wireline broadband access infrastructure and extremely successful wireless broadband services offered on the CDMA platform through the Photon+ offerings, all of which the Company will continue to leverage effectively. It is also exploring possibility of roaming arrangements with other operators for GSM 3G services.

The year witnessed the launch of new Value Added Services ("VAS"), which are expected to bolster the Company's revenues significantly in the coming years.

Information on important litigations concerning the Company is as under:

- **Spectrum:** Tata Teleservices Limited (TTSL) and the Company filed in December'2007, a petition before TDSAT:
  - challenging allocation of spectrum beyond the contracted amount to GSM operators;
  - querying the pricing of spectrum beyond the contracted amount and recommending, if necessary, withdrawal of excess spectrum allocated to GSM operators;
  - seeking release of the 3rd and 4th CDMA carriers (within the contracted amount of 5+5 MHz) against its pending applications;
  - seeking upfront allotment of the contracted 5+5 MHz spectrum to CDMA operators, as was done in the case of GSM operators; and
  - demanding technology neutrality.

  DoT assured TDSAT that spectrum would be allocated against the pending applications. However, without allocating spectrum against pending applications, DoT enhanced substantially the subscriber number requirement for spectrum allocation eligibility in January'2008. The TDSAT was waiting the recommendation of TRAI on the report of the Expert committee. TRAI has made its recommendations on May 11, 2010. These recommendations however do not deal with this issue. The Company's petition has been dismissed and the company has been advised to take up the matter of equal allocation of spectrum with DoT. An appeal has been filed before the Supreme Court against the order of TDSAT.
- **WLL (M) Walky:** The Supreme Court on May 30, 2008, had held that ADC is payable on services provided under Walky phones for the period November 14, 2004 to August 26, 2005. The matter of quantification of these claims were left to be done by TDSAT. Subsequently facing threat of disconnection and unreasonable demands of BSNL, TTSL/TTML filed petition before TDSAT. In the said Petition, TTSL/TTML inter alia sought information from BSNL regarding its 26 lakhs WLL(M) phones and sharing of relevant data in order to raise counter claim. TDSAT vide its order dated April 15, 2010 erroneously held that Supreme Court has finally decided the claims of BSNL. Consequently appeal has been filed before the Supreme Court against the said order of TDSAT.
- **Computation of Licence Fee:** TDSAT in its judgement of July'2006, had laid down the principle that revenues accruing from non-licensed activities should not attract licence fee and directed TRAI to prepare a list of items to be included and excluded from Adjusted Gross Revenue ("AGR") which attracts licence fee.

  The matter was decided in 2007 by TDSAT, which based on TRAI recommendations identified various items to be excluded from AGR. The order would be effective from the date of filing of petitions in TDSAT. DoT has filed an appeal in the Hon'ble Supreme Court challenging the whole order, while the Company and TTSL have filed an appeal seeking implementation of the order from the first demand for the year 1999-00, raised by DoT in May'2003. The appeals are expected to be listed for hearing shortly.
- **Fulfillment of Roll-out Obligations***:* As a UAS Licensee, the Company was required to complete certain rollout obligations within 1st and 3rd years from the effective date of its license(s). The coverage had to be certified by the Telecommunication Engineering Center ("TEC"). Due to reasons not in the control of any of the UASL operators, the first year norms could not be met by any of them.

  Despite various representations from the industry and the Company, DoT on June 4, 2007, issued show cause notices to the Company and other operators alleging non-fulfillment of the stipulated rollout obligations at the end of the first year. The notices required the Company to explain to DoT, why liquidated damages of Rs.14 Crores (i.e. Rs.7 Crores each for Mumbai and Maharashtra circle) should not be recovered from the Company for the alleged failure. The Company has replied to the notices. The Company has received legal opinion that the demands are invalid under law.
- **Special Audit by DoT:** DoT appointed a firm of chartered accountants as special auditor to conduct audit of licence fee payments during the FY 2006-07 and 2007-08. The report of the special auditor has been submitted to DoT in last week of May'2010.
- **Spectrum usage charges:** TTSL/TTML filed an Petition before TDSAT challenging the order dated February 25, 2010 issued by DoT increasing the spectrum usage charges from 2% of AGR to 3%. Similar Petitions have been filed by other operators also. The Company's petition was dismissed by TDSAT vide judgement dated September 1, 2010. Appeal has been filed before Supreme Court. The appeal has been admitted on February 14, 2011.
- **Karnataka Letter of Intent of 1997**: The erstwhile promoters of the Company in 1997 had applied in the name of the Company for basic services licence in Karnataka circle. A letter of Intent ("LoI") was issued by DoT to the Company. However, DoT did not take a decision till March'1999 on certain pending issues/requests by the Company and the LoI lapsed. DoT recovered in 1999 from Maharashtra licence payments a sum of Rs.50 Crores alleging failure on the part of the Company to sign licence for Karnataka. During the hearing, DoT lodged a counter-claim for loss of licence fee and claimed interest on it. TDSAT ordered refund of Rs.50 Crores and dismissed the counter-claim on the ground that TDSAT had no jurisdiction. On appeal by DoT, Supreme Court held that TDSAT had jurisdiction and remanded the case for re-hearing to TDSAT. Currently, judgment of TDSAT has been reserved after the matter was re-heard.

Segment-wise or product-wise performance

The Company is in the business of providing a wide range of telephony products in Mumbai Service Area and Maharashtra (including Goa) Service Area. Details of various products and services are provided in the Directors' Report.

Outlook

The outlook for the Company appears bright on a long-term basis. It successfully launched GSM services under Tata DOCOMO brand in Mumbai and Maharashtra circles in August'2009. It has been successful in winning 3G spectrum for

Maharashtra circle (which includes Goa). The Company has been making cash profits in last 21 quarters.

The Company successfully launched 3G wireless service under 'Tata DOCOMO' brand in 16 Towns in Rest of Maharashtra Circle. The rollout by the Company is one of the fastest by any standards.

The Company will also benefit from its association with TTSL, which has licences to provide telecom services in 20 circles across India. TTSL has also been permitted by DoT to use GSM Technology in 17 Circles and has been allocated GSM spectrum in 16 circles. It has also won 3G spectrum in 8 circles, primarily in the western belt of the country.

The national teledensity is around 72% mark, but accounting for the considerable multi-Simming phenomenon in the industry, the 'actual' tele-density is much lesser. Considering the teledensity of other comparable regions and countries in Asia, there is a significant market in India still waiting to be tapped and the Company will take all the necessary initiatives to become a major player in its chosen areas of operation.

The Company expanded its network throughout the States of Maharashtra and Goa and the Company now offers GSM services in 898 Towns and CDMA services in 1,184 towns by the end of the financial year 2010-11.

The Company has been late entrant in CDMA and GSM 2G services, but it now has an opportunity to be on par with other operators as for providing 3G services. The Company's Photon$^+$ high speed internet services along with some other strategies will enable it to compete in Mumbai, where it did not pursue bidding for 3G spectrum due to exorbitantly high bid price.

Risks and Concerns

As is the case with any infrastructure project, the Company is exposed to a number of risks. The Company assesses the risks every year and presents them to the Audit Committee in line with Clause 49 of the Listing Agreement with stock exchanges. The key risks include:

Regulatory Risks

The Indian telecommunications industry is subject to extensive Government regulation, especially as regards allocation of spectrum and introduction of new services. However, the industry is being liberalised and the Company would continue its endeavor to take advantage of the new opportunities offered by regulatory changes. These include use of alternate technology, new platforms and the proposed introduction of 3G services, which could allow the Company to provide all types of high speed communication and convergence services.

The Company's telecommunications licenses, provide broad discretion to the Government to influence the conduct of the Company's businesses by giving it the right to modify, at any time, the terms and conditions of the licenses and take over the entire services, equipment and networks or terminate or suspend the licenses, if necessary or expedient, in the public interest or in the interest of national security or in the event of a national emergency, war or similar situation.

The Company's licenses are for fixed periods (i.e. upto September'2017) and are renewable for additional terms at the discretion of the Government. There can be no assurance that any of the Company's licenses will be renewed at all or renewed on the same or better terms.

The recent amendment to licenses requiring prior approval of Licensor before placing purchase orders for imported 'active' equipment and software and current embargo on Chinese vendors may adversely affect the Company in short term and may impose additional costs.

The Company may be required to obtain additional 2G spectrum in the future on payment basis which may impose additional financial burden on the Company.

Delay in receipt of contracted spectrum of 6.2 MHz may create quality of service issues and may result in customer dis-satisfaction. To address this, the Company may be required to rollout more cellsites, thereby substantially increasing the operating expenditure.

Technological Risks

Changes in technology may render the Company's current technologies obsolete or require it to make substantial capital investments for upgradation. The telecommunication industry has seen rapid changes in technology. Although the Company strives to keep its technology up to date in accordance with the latest international technological standards, the technology currently employed by it may become obsolete or subject to competition from new technologies in the future.

Financing Risks

The Company is a telecommunication service provider and requires significant funding on an ongoing basis for expanding telecom infrastructure including services to be offered using GSM technology. Approximately half of the project cost is funded by way of debt that is subject to a number of terms and conditions including periodic review of the business plan. Besides, the Company has also borrowed additional funds for making 3G spectrum payment of Rs.1,257.58 Crores.

Interconnection Risks

No operator has been able to win pan-india 3G spectrum and hence roaming arrangements will assume great importance. The Company and TTSL will also require roaming arrangements in 13 circles where they have not been able to win 3G spectrum. Augmentation of capacities or creation of separate interconnection facilities for GSM services are some of the business requirements which are dependent on co-operation of other operators.

Competition Risks

The Indian telecommunication industry has recently witnessed intense competition with the entry of 4-5 new operators leading to further fall in tariffs. The tariffs are the lowest in the world. Competition also creates need for higher expenditure on marketing and advertising.

Dependency on the Promoters

The Company has closely aligned and integrated its business operations and strategies with those of TTSL and also shares certain infrastructure (e.g. billing platform, intelligent network platform etc.) and activities (e.g. procurement) with TTSL. The Company benefits from the goodwill associated with the Tata Indicom brand that Tata Sons Limited has permitted the Company to use for marketing its CDMA products and services and Tata DOCOMO brand that Tata Sons Limited and NTT Docomo Inc. has permitted the Company to use for marketing its GSM products and services. The Company's central services sharing arrangements with TTSL allow it to jointly negotiate with equipment suppliers and service providers and benefit from economies of scale. In addition, the Company offers roaming services to its CDMA/GSM mobile subscribers, who can roam in the service areas where TTSL network is operational and vice-versa. Although all the above positively impact the Company's performance, if the Company is viewed as a stand alone enterprise, this inter-dependency may be perceived to be an area of concern.

Internal Control Systems and their adequacy

An Audit Committee of the Board of Directors has been constituted as per the provisions of Section 292A of the Companies Act, 1956 ("Act") and Corporate Governance requirements specified by the stock exchanges.

The internal audit for various functions/aspects is conducted by independent firms/internal audit team, which conducts reviews and evaluation and present their reports to the Audit Committee and the management at regular intervals.

The Internal Auditors' Reports dealing with internal control systems are considered by the Audit Committee and appropriate actions are taken, wherever necessary.

Analysis of Financial Condition and Results of Operations

The financial statements have been prepared in accordance with the requirements of the Act, the Indian Generally Accepted Accounting Principles (Indian GAAP) and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

The Board of Directors believes that it has been objective and prudent in making estimates and judgements relating to the financial statements and confirms that these financial statements are a true and fair presentation of the Company's operations and profits for the year.

Developments on Human Resources Front

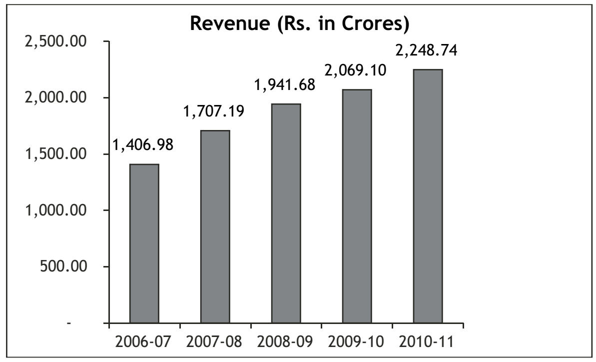
The entry of new service providers has substantially increased competition in the market. Increase in choices means more effort and higher decibel volumes in acquiring and retaining subscribers which in turn makes it imperative to retain valuable and skilled intellectual capital. The offer of higher monetary compensation by other operators and other service sectors like retail and media have also increased the challenges of retention. The initiatives undertaken by the Company have been described in the Directors' Report.

The Company and TTSL are working towards better operational and functional integration so as to take full advantage of operational synergies and to present a unified pan-India entity especially in reference to the common brands being used by each of these two entities. Some senior employees of the Company have been deputed to TTSL to take up national responsibility (TTSL and the Company), as such only a portion of cost of such employees is charged to the Company. The Company had 1,725 employees on its rolls as on March 31, 2011.

Key Financial Information & Operational Performance

Revenues from Telecommunication Services

During the year, revenues from telecommunication services increased to Rs.2,248.74 Crores (previous year Rs.2,069.10). This revenue growth was largely driven by the 30% increase in the number of subscribers to 168 lakhs at the end of March' 2011 (compared to 130 lakhs subscriber as at the end of March' 2010). The revenue growth is based on the growth in subscriber base, amidst falling tariffs including the drop in termination charges. The tariffs of prepaid, postpaid and fixed line segments have been reduced to match reductions undertaken by competitors.

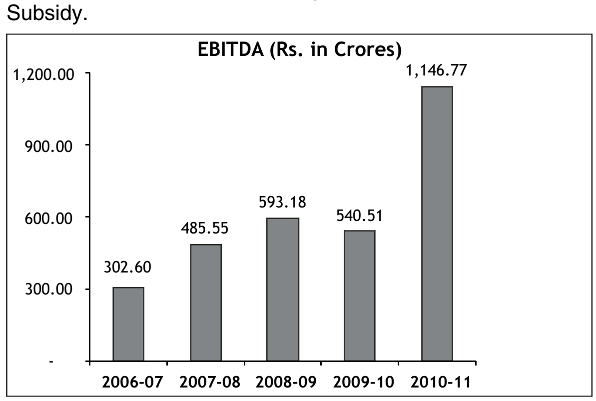


Other Income

Other income decreased to Rs.67.20 Crores (previous year Rs.208.71 Crores), which includes subsidies received from the Universal Service Obligation Fund towards provision of Rural Household Direct Exchange Lines ("RDELs") in specified Short Distance Charging Areas ("SDCAs") amounting to Rs.6.87 Crores (previous year Rs. 141.29 Crores). As RDELs scheme has come to an end, there is no likelihood of the Company benefitting from such subsidies any further.

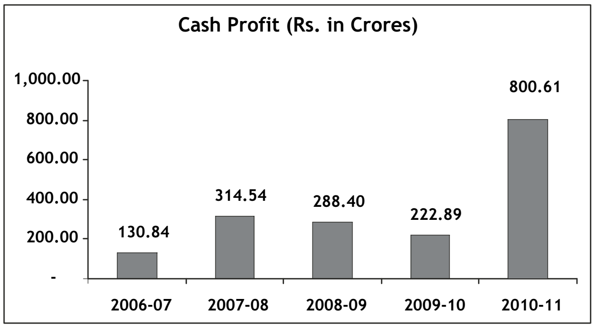
Earnings Before Interest, Depreciation, Taxation and Amortisation ("EBIDTA")

During the year, EBIDTA increased by 112% from Rs.540.51 Crores to Rs.1,146.77 Crores primarily due to profit on sale of long term investment of Rs.834.93 Crores and reduction on operating expenses offset partially by an increase in costs associated with expanded network rollout including launch of 3G services, provision for contingencies and reduction in USO Subsidy.



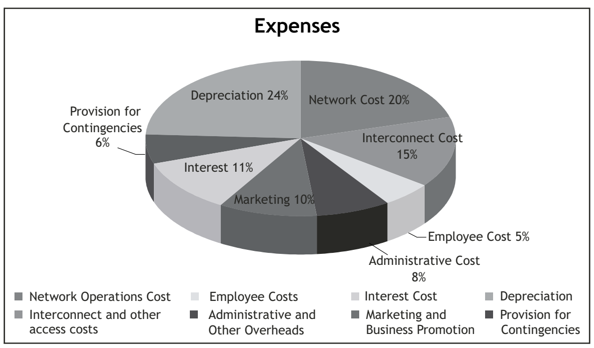
Cash Profit

During the year, Cash Profits increased from Rs.229.89 Crores to Rs.800.61 Crores primarily due to profit on sale of long term investments offset partially by costs associated with the expansion of network for GSM services, costs of launch of 3G services including interest costs.



Expenses

The major expenses as a percentage of total cost are as follows:



Total depreciation for FY11 was Rs.750.70 Crores (including additional depreciation of Rs.184.81 Crores as a result of re-estimatation of the balance useful life of certain items of plant and machinery considering up-gradation of equipment on account of enhancement of technology and the consequent enhanced pace of planned replacement. Total depreciation net of additional depreciation for FY11 was Rs.565.89 Crores as compared to Rs.520.89 Crores in FY10.

Finance Charges

The Finance Charges increased from Rs.317.62 Crores to Rs.346.16 Crores. This is primarily on account of interest charge on 3G license fees in Q4 subsequent to launch of 3G services in Rest of Maharashtra. The higher interest rates and additional borrowings were offset by the cash inflow from the sale of investment in the tower subsidiary. The Company's Business Plan has been appraised by IDBI Bank Limited and the Company has entered into a Common Terms Agreement with the lenders for long term loans for nine years aggregating Rs.3,427 Crores.

Net Profit

The Company reported net profit of Rs.49.90 Crores for the year (previous year net loss of Rs.298.01 Crores). The Company divested its entire stake in the tower subsidiary during the year (profit on sale Rs.834.93 Crores) and have made provision for contingencies towards various telecom disputes for Rs.185.60 Crores and for accelerated depreciation based on re-estimation of useful lives of certain equipment for Rs.184.81 Crores. The Company launched its full mobility services using CDMA technology in the second half of 2003-04 and launched GSM services only in August'2009 and it is not uncommon for large green-field infrastructure telecom projects to incur losses during the initial few years of project implementation. The Company has also commenced 3G Services during the current year in Rest of Maharashtra Circle.

Fixed Assets

The Company continues to grow its network in Mumbai and other cities in Maharashtra and Goa. The year-end Gross Block increased by Rs.2,047.02 Crores (Net of deletions of Rs.10.55 Crores) to Rs.7,621.16 Crores (previous year Rs.5,574.14 Crores). The major increase in the Gross Block was on account of launch of 3G Services, building of GSM network and expansion of the CDMA network by installation of switches, cell sites and backbone amounting to Rs.799.75 Crores. The Gross Block also includes the cost of 3G license fee Rs.1,257.82 Crores.

The year-end Net Block has increased from Rs.3,503.82 Crores to Rs.4,802.83 Crores after considering accelerated depreciation based on re-estimation of useful lives of certain equipment for Rs.184.81 Crores. The year-end Capital Work-in-Progress is at Rs.153.05 Crores (previous year Rs.196.91 Crores).

Net Current Liabilities

The Current Liabilities increased from Rs.878 Crores to Rs.920 Crores primarily due to increase in Capex Creditors from Rs.541 Crores to Rs.698 Crores offset by higher bank balances.

Loan Funds

The total loan funds increased from Rs.3,609 Crores to Rs.4,653 Crores primarily on account of Rs.1,258 Crores 3G license fee payment financed through short term borrowings. During the year, the Company has tied up long term funding for Wireline, CDMA & GSM services. In May' 2011, the Company has tied up for long term External Commercial Borrowings of USD 350 Million for refinancing of short terms loans availed for 3G spectrum fees and for capex.

AUDITORS' REPORT

TO THE MEMBERS OF
TATA TELESERVICES (MAHARASHTRA) LIMITED

1. We have audited the attached Balance Sheet of **TATA TELESERVICES (MAHARASHTRA) LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

A B Jani
Partner
Membership No. 46488

Mumbai, dated: April 26, 2011

ANNEXURE TO THE AUDITORS' REPORT

Re: Tata Teleservices (Maharashtra) Limited

(Referred to in Paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's activities, clauses (xiii) and (xiv) of CARO are not applicable.

(ii) In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
   (b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:
   (a) As explained to us, the stocks of trading goods were physically verified during the year by the Management at reasonable intervals.
   (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of stocks followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

(viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of telecommunication activities and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011 on account of disputes are given below:

Name of statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Crores)
The Income-tax Act, 1961	Income tax demand	Income Tax Apellate Tribunal	A.Y. 1998-99	0.08
Service tax Act	Service tax demand	Commisioner of Service Tax	Nov. 2004 to April 2008	60.40
Service tax Act	Service tax demand	Additional Commisioner	April 2005 to March 2010	0.20
Service tax Act	Service tax demand	CESTAT	April 2004 to March 2010	6.36
Sales tax Act	Sales tax demand	Joint Commisioner (Appeal) II	April 2001 to March 2004	0.21

(xi) The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth and the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.

(xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have been used during the year for long-term investment to the extent of Rs 2,548.03 Crores.

(xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which is *prima facie* not prejudicial to the interests of the Company.

(xviii) The Company has not issued any debentures during the year.

(xix) The Company has not raised any money by way of public issues during the year.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

A B Jani
Partner
Membership No. 46488

Mumbai, dated: April 26, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,897.20	1,897.20
Reserves and Surplus	2	583.16	583.16
		2,480.36	2,480.36
Loan Funds			
Secured Loans	3	2,669.78	2,300.43
Unsecured Loans	4	1,982.82	1,309.00
		4,652.60	3,609.43
Total		7,132.96	6,089.79
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block (at cost)		7,621.16	5,574.14
Less : Accumulated Depreciation / Amortisation		2,818.33	2,070.32
Net Block		4,802.83	3,503.82
Capital Work - In - Progress		153.05	196.91
		4,955.88	3,700.73
Investments	6	-	120.00
Current Assets, Loans and Advances			
Cash and Bank Balances	7	74.68	22.98
Sundry Debtors	8	294.98	264.12
Inventories	9	3.78	6.40
Loans and Advances	10	517.46	301.05
		890.90	594.55
Less : Current Liabilities and Provisions			
Current Liabilities	11	1,619.05	1,466.05
Provisions	12	191.56	6.13
		1,810.61	1,472.18
Net Current Liabilities		(919.71)	(877.63)
Profit and Loss Account		3,096.79	3,146.69
Total		7,132.96	6,089.79
Significant Accounting Policies and Notes to Financial Statements	17		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjhunwala
(Director)

D. T. Joseph
(Director)

Koichi Takahara
(Director)

S. Ramadorai
(Director)

Anil Kumar Sardana
(Director)

N. S. Ramachandran
(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Income			
Telecommunication Services	13	2,248.74	2,069.10
Other Income	14	67.20	208.71
Profit on Sale of Long Term Investment (Refer Note 24 of Schedule 17)		834.93	-
Total		3,150.87	2,277.81
Expenditure			
Operation and Other Expenses	15	1,818.50	1,737.30
Provision for contingencies (Refer Note 27 of Schedule 17)		185.60	-
Profit before Finance and Treasury charges, Depreciation and Tax		1,146.77	540.51
Finance and Treasury Charges (Net)	16	346.16	317.62
Depreciation /Amortisation (Refer Note a of Schedule 5 and Note No 26 of Schedule 17)		750.70	520.89
Profit / (Loss) before tax		49.91	(298.00)
Provision for Tax			
- Wealth Tax		0.01	0.01
Profit / (Loss) after tax		49.90	(298.01)
Balance brought forward		(3,146.69)	(2,848.68)
Balance carried to Balance Sheet		(3,096.79)	(3,146.69)
Earnings Per Share - Basic and Diluted (Rs.) (Refer Note 17 of Schedule 17)		0.26	(1.57)
Par Value (Rs.)		10.00	10.00
Significant Accounting Policies and Notes to Financial Statements	17		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjhunwala
(Director)

D. T. Joseph
(Director)

Koichi Takahara
(Director)

S. Ramadorai
(Director)

Anil Kumar Sardana
(Director)

N. S. Ramachandran
(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 1		
SHARE CAPITAL		
Authorised:		
2,500,000,000 Equity Shares of Rs.10/- each	**2,500.00**	2,500.00
	2,500.00	2,500.00
Issued and Subscribed		
1,897,196,854 (Previous year 1,897,196,854) Equity Shares of Rs.10/- each fully paid-up	**1,897.20**	1,897.20
	1,897.20	1,897.20

Note:

Of the above 1,107,401,219 Equity Shares are held by Tata Sons Limited (the ultimate Holding Company) and its Subsidiaries.

SCHEDULE - 2

RESERVES AND SURPLUS

Securities Premium Account:		
Balance as per last Balance Sheet	**583.16**	583.16
	583.16	583.16

SCHEDULE - 3

SECURED LOANS

From Banks (Refer note below)		
Term Loans	**2,066.58**	1,556.64
Cash Credit Accounts	**12.85**	165.38
Acceptances	**590.35**	578.41
	2,669.78	2,300.43

Note :

Stipulated securities for the loans are either one or more of the following as per terms of the arrangements with respective banks:

- by first pari pasu charge on the assets of the Company,
- by pledge of shares held by Tata Teleservices Limited in the Company,
- by assignment of the proceeds on sale of network in the event of cancellation of the telecom license,
- by assignment of telecom license,
- by assignment of insurance policies,
- by sponsor support undertaking of Tata Sons Limited (the Ultimate Holding Company).

SCHEDULE - 4

UNSECURED LOANS

From Banks		
- Short Term Loans	**1,982.82**	1,289.00
Inter-corporate deposits	**-**	20.00
	1,982.82	1,309.00

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH, 31 2011

SCHEDULE - 5

FIXED ASSETS

Rs. in Crores

PARTICULARS	Notes	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at April 1, 2010	Additions	Deletions	As at March 31, 2011	Upto March 31, 2010	For the year	Deletions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets											
Leasehold assets :											
Land		7.11	-	-	7.11	1.25	0.07	-	1.32	5.79	5.86
Office premises		6.86	-	-	6.86	1.60	0.08	-	1.68	5.18	5.26
Buildings		15.01	1.42	-	16.43	0.97	0.30	-	1.27	15.16	14.04
Plant and Machinery		4,397.66	748.07	9.87	5,135.86	1,576.85	634.32	2.07	2,209.10	2,926.76	2,820.81
Furniture, Fixtures and Office Equipment		105.75	5.23	0.02	110.96	78.25	14.81	0.02	93.04	17.92	27.50
Vehicles		1.71	-	0.66	1.05	0.98	0.24	0.60	0.62	0.43	0.73
Intangible Assets											
License (Refer note 22 of Schedule 17)	(d)	925.21	1,257.82	-	2,183.03	364.95	90.25	-	455.20	1,727.83	560.26
Indefeasible Rights of Use ('IRU')		83.24	36.56	-	119.80	22.29	6.42	-	28.71	91.09	60.95
Computer Software		31.59	8.47	-	40.06	23.18	4.21	-	27.39	12.67	8.41
		5,574.14	**2,057.57**	**10.55**	**7,621.16**	**2,070.32**	**750.70**	**2.69**	**2,818.33**	**4,802.83**	**3,503.82**
Previous year		4,552.63	1,131.77	110.26	5,574.14	1,653.55	523.25	106.48	2,070.32		
Capital Work-In-Progress:											
Capital advances										24.82	24.28
Capital Inventory [net of provision for obsolescence of Rs. 15.75 Crores (previous year Rs. 15.75 Crores)]										108.85	136.98
Assets under construction										19.38	35.65
										153.05	**196.91**
									TOTAL	**4,955.88**	**3,700.73**

Notes:

(a) Depreciation in the Profit and Loss Account is net of amounts aggregating to Nil (previous year Rs. 2.36 Crores) on account of write back of provision for obsolescence on capital inventory put to use.

(b) Deletion includes Plant and Machinery aggregating to Nil [Previous Year Rs. 104.54 Crores (Gross Block)] which are fully depreciated and are written off during the year. (Refer note 21 of Schedule 17)

(c) Refer Note 25 of Schedule 17 regarding adjustment of foreign exchange differences on account of notification issued by Central Government.

(d) Refer Note 26 of Schedule 17 regarding re-estimation of balance useful life of certain items of Plant and Machinery.

(e) Remaining amortisation period for License fees is -
- for providing services using CDMA and GSM technology - 6.5 years (Previous Year 7.5 years)
- for providing services using 3G technology - 19.25 years.

(f) The legal formalities in respect of one of the buildings are in the process of being completed.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 6		
INVESTMENT (Non-Trade) (Unquoted) (Refer Note 19 of Schedule 17)		
Long- term Investment (at cost)		
In Subsidiary Company:		
Nil (Previous Year 120,000,000) Equity Shares of 21st Century Infra Tele Limited of Rs 10/- each fully paid-up.	**-**	120.00
	-	120.00

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 7		
CASH AND BANK BALANCES		
Cash on hand	**-**	0.03
Balance with Scheduled Banks in		
- Current Accounts	**24.28**	22.85
- Cash Credit Accounts (Refer Note below Schedule 3)	**0.10**	0.10
- Term Deposit Accounts (including interest accrued Rs. 0.30 Crores (previous year Nil))	**50.30**	-
	74.68	22.98

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured)		
Outstanding for a period exceeding six months	**88.79**	305.96
Others	**276.43**	239.77
	365.22	545.73
Less: Provision	**70.24**	281.61
	294.98	264.12
Note:		
Considered good	**294.98**	264.12
Considered Doubtful	**70.24**	281.61
	365.22	545.73

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 9		
INVENTORY		
Traded Goods		
Starter Kits	**3.78**	6.40
	3.78	6.40

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received [Includes Rs. 0.18 Crores (Previous year Rs. 0.18 Crores) due from an officer of the Company. Maximum amount outstanding at any time during the year is Rs.0.18 Crores (Previous year Rs.0.18 Crores)]	**442.96**	238.26
Premises and other deposits	**60.76**	54.72
Advance Tax paid (Tax Deducted at Source)	**16.36**	10.69
	520.08	303.67
Less : Provision	**2.62**	2.62
	517.46	301.05
Notes :		
Considered good	**517.46**	301.05
Considered doubtful	**2.62**	2.62
	520.08	303.67

SCHEDULE - 11

Current Liabilities

Sundry Creditors (Refer Note 23 of Schedule 17)		
Total Outstanding dues of Micro Enterprises and Small Enterprises	**0.35**	-
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises:		
- Under Usance Letter of Credit	**571.67**	526.26
- Others	**877.59**	810.41
	1,449.61	1,336.67
Deposits from Customers and others	**66.30**	72.17
Interest accrued but not due on loans	**2.68**	15.13
Other liabilities	**100.46**	42.08
	1,619.05	1,466.05

Note: Other Liabilites include temporary overdrawn bank balances as per books aggregating to Rs. 37.35 Crores (Previous year Rs. 0.93 Crores)

SCHEDULE - 12

Provisions

For Contingencies (Refer Note 27 of Schedule 17)	**185.60**	-
For Asset retirement obligation (site restoration cost)	**0.49**	0.49
For Retirement benefits	**5.46**	5.63
For Wealth Tax	**0.01**	0.01
	191.56	6.13

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
SCHEDULE - 13		
TELECOMMUNICATION SERVICES		
Telephony	**1,890.05**	1,788.14
Internet Services	**94.71**	72.64
Interconnection Usage Charges [including in respect of earlier years Nil (Previous year Rs. 0.62 Crores)]	**229.67**	174.36
Sale of Traded Goods	**34.31**	33.96
	2,248.74	2,069.10

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
SCHEDULE - 14		
OTHER INCOME		
Subsidies from Department of Telecommunications (DoT)	**6.87**	141.29
Excess provision / Sundry credit balances in respect of earlier years written back	**18.19**	25.16
Infrastructure Sharing	**7.11**	0.49
Profit on Fixed assets sold (Net)	**29.24**	35.45
Sale of Refurbished Network Interface Units	**1.15**	2.66
Miscellaneous Receipts	**4.64**	3.66
	67.20	208.71

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
SCHEDULE - 15		
OPERATION AND OTHER EXPENSES		
Network Operation costs		
Revenue Share to DoT	**197.94**	193.97
Repairs and Maintenance - Plant and Machinery [including capital inventory consumed Rs 2.14 Crores (Previous year Rs. 8.63 Crores)]	**37.88**	60.46
Power	**150.19**	107.96
Rent	**55.18**	35.43
Rates and taxes	**1.71**	7.91
Insurance	**1.32**	1.77
Infrastructure Sharing Cost [including in respect of earlier years Rs.1.21 Crores (Previous year Nil)]	**167.06**	112.74
Miscellaneous	**23.70**	15.58
	634.98	535.82
Interconnection and Other access costs [including in respect of earlier years Nil (Previous year Rs.0.22 Crores)] (net of excess provision in respect of earlier years written back Rs.3.07 Crores (previous year Nil))	**456.97**	440.91
Payments to and Provisions for Employees		
Salaries and Bonus	**147.52**	127.02
Contribution to Provident and other Funds	**7.26**	7.50
Staff Welfare	**10.87**	11.74
	165.65	146.26

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Administrative and Other expenses		
Rent (net of recoveries Rs.0.41 Crores (previous year Nil))	**19.07**	19.42
Rates and taxes	**7.94**	5.88
Repairs and Maintenance -others	**9.98**	5.56
Travel and conveyance expenses	**11.42**	19.10
Collection / Credit verification charges	**10.02**	11.10
Customer service and call centre cost	**108.94**	110.83
Assets awaiting disposal written off	**-**	0.56
Bad Debts writen off	**237.94**	-
Provision for Doubtful Debts written back	**(237.94)**	-
Provision for Doubtful Debts and Advances (Net of insurance received amounting to Rs. Nil (previous year Rs. 0.42 Crores))	**26.57**	20.35
Insurance Expenses	**0.02**	0.03
Miscellaneous expenses	**46.40**	49.30
Contractual and other claims and liabilities (Net)	**(1.44)**	0.28
	238.92	242.41
Marketing and business promotion expenses		
Advertisement and business promotion expenses	**152.76**	133.09
Hand set Subsidy (Net of Rs. 6.60 Crores (Previous year Rs. 3.57 Crores) incentive received)	**7.63**	80.67
Sales Commission and Expenses	**139.39**	135.16
Traded Goods - Starter Kits		
Opening Stock	**6.40**	2.01
Add: Purchases	**19.58**	27.37
Less: Closing stock	**3.78**	6.40
	22.20	22.98
	321.98	371.90
	1,818.50	1,737.30

SCHEDULE - 16

FINANCE AND TREASURY CHARGES (NET)

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Interest		
On Fixed Term Loans	**346.05**	295.21
On Inter-corporate deposits	**0.57**	1.08
On Others	**29.90**	13.93
Expenses for loan arrangement, bill discounting and bank charges	**21.21**	21.77
Foreign exchange fluctuations (Net) (Refer Note 16(ii) of Schedule 17)	**18.89**	4.48
	416.62	336.47
Less: Interest Capitalized (Refer Note 22 of schedule17)	**62.82**	18.79
	353.80	317.68
Less: Interest Income		
On Term Deposits with Banks (Tax deducted at source Rs. 0.07 Crores (Previous year Nil))	**1.12**	-
On Others	**0.11**	-
	352.57	317.68
Less: Profit on sale / redemption of units (Current Investment)	**6.41**	0.06
	346.16	317.62

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1. Company background

Tata Teleservices (Maharashtra) Limited ("the Company"), was incorporated on March 13, 1995. The Company is licensed to provide basic and cellular telecommunication services. The Company presently holds two Unified Access (Basic and Cellular) Service Licenses, one for Mumbai Service Area and another for Maharashtra and Goa and provides telecommunication services using Code Division Multiple Access (CDMA) technology, Global System for Mobile Communications (GSM) technology under the aforesaid licenses. The Company also holds the National Internet Service provider - Internet Telephony license. The Company during the quarter ended June 30, 2010 had succeeded in winning the bid for 3G spectrum in Maharashtra and Goa circle (excluding Mumbai) (Also refer Note 22).

The Company is a subsidiary of Tata Sons Limited (the ultimate holding company).

2. Significant Accounting Policies

(a) Basis of preparation of financial statements

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards (AS) notified in the Companies (Accounting Standards) Rules 2006 and relevant provisions of the Companies Act, 1956 (the Act).

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

(c) Fixed Assets

Fixed assets are stated at their historical cost of acquisition or construction, less accumulated depreciation/amortization and impairment loss. Cost includes all costs incurred to bring the assets to their working condition and location (Also refer note 25) and Site Restoration cost obligations where outflow of resources is considered probable.

Assets retired from active use and held for disposal are stated at lower of net book value or net realisable value.

Expenditure related to and incurred during the construction period of switches and cell sites are capitalised as part of the construction cost and allocated to the relevant fixed assets.

Capital inventory comprises of switching equipment, field unit cards, and capital stores that are carried under Capital Work-In-Progress till such time as they are issued for new installation or replacement.

The Company capitalises software and related implementation costs as intangible assets, where it is reasonably estimated that the software has an enduring useful life.

License fees paid by the Company for acquiring licenses to operate telecommunication / internet telephony services are capitalised as intangible assets.

Indefeasible Rights to Use ('IRU') bandwidth capacities by the Company are capitalised as intangible assets.

Assets acquired pursuant to an agreement for exchange of similar assets are recorded at the net book value of the assets given up, with an adjustment for any balancing receipt or payment of cash or any other form of consideration.

d) Depreciation

i) Fixed assets are depreciated on a straight line basis, based on the following estimates of their useful economic lives :

	Useful Life (In years)
Buildings	60
Plant and Machinery (Also refer Note 26 below)	
- Network Equipment	12
- Outside Plant	18
- Network Interface Units (Refer note 21)	5
- Air- Conditioning Equipment	6
- Generators	6
- Electrical Equipments	6
- Computers	3
- Office Equipments	3
- Computer Software	3
Furniture and Fittings	3
Vehicles	5

Depreciation rates derived from the above are not less than the rates prescribed in Schedule XIV to the Companies Act, 1956.

ii) Leasehold land and premises are amortised uniformly over the period of lease.

iii) License fees is amortized uniformly over the original license period of 20 years / extended period as permitted by DoT, as applicable, from the date of commencement of operations. Since the Company has intention of being in business for a period well beyond 10 years and the telecommunication business cannot be carried on without the Telecom license, the useful life of the asset will exceed the rebuttable presumption of 10 years under AS 26 on "Intangible Assets" (Refer note 22).

iv) Indefeasible Right to Use ('IRU') bandwidth capacities by the Company are amortised over a period of fifteen years based on management estimate of useful life of the assets or period of the agreement whichever is lower.

v) Depreciation on additions and deletions to assets during the year is charged to revenue pro rata to the period of their use.

vi) The Company provides for obsolescence of its slow moving capital inventory by way of depreciation, at the rate of 33.33% p.a. of cost.

e) Foreign Currency transactions

i. Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.

ii. Foreign currency denominated assets and liabilities are reported as follows:

a) Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date. Non-Monetary items such as fixed assets are carried at their historical rupee values.

b) Gains/losses arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognised in the profit and loss account, except for long term assets/ liabilities which pertain to acquisition of fixed assets which are adjusted in the cost of fixed assets (Refer note 25).

iii. In case of forward exchange covers, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract.

iv. Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India (ICAI), the Company in accordance with the principle of prudence as enunciated in Accounting Standard 1 on 'Disclosure of Accounting Policies' provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any gains arising on such mark to market are not recognized as income (Refer note 16 (ii)).

f) Employee benefits

Retirement benefit costs are expensed to revenue as incurred.

Contributions to the Provident and Superannuation Funds are made in accordance with the rules of the Funds.

The Company participates in a group gratuity cum life assurance scheme administered by the Life Insurance Corporation (LIC). Provision for the year in respect of gratuity is made on the basis of actuarial valuation as at the end of the year.

Leave encashment is provided for on the basis of actuarial valuation as at the end of the year.

g) Revenue recognition

Revenue from telecommunication services is recognised as the service is performed on the basis of actual usage of the Company's network in accordance with contractual obligations and is recorded net of service tax. The amount charged to subscribers for specialised features which entitle them to access the network of the Company and where all other services and products are paid for separately, are recognised as and when such features are activated.

Revenue is recognised when it is earned and no significant uncertainty exists as to its ultimate realisation or collection.

h) Government Grants

Subsidies granted by Government for providing telecom services in rural areas are recognized as income in accordance with the relevant terms and conditions of the scheme / agreement with DoT.

i) Borrowing costs

Borrowing costs attributable to the acquisition of a qualifying asset, as defined in AS 16 on “Borrowing Costs”, are capitalised as part of the cost of acquisition. Other borrowing costs are expensed as incurred.

j) Earnings per share

The Company reports basic and diluted earnings per share in accordance with AS 20 on “Earnings Per Share”. Basic earning per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

k) Operating Leases

Assets taken on lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses as incurred in accordance with the respective lease agreements.

l) Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in AS 3 on “Cash Flow Statements” and presents Cash flows by operating, investing and financing activities of the Company.

m) Finance and Treasury charges

Net finance and treasury charges are disclosed in the financial statements. Interest and other income earned from treasury operations are reduced from the costs of treasury operations.

n) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of Inventories comprises of all cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

o) Fringe Benefits Tax

Fringe Benefits Tax (FBT) is recognized as per the provisions of the Income-tax Act, 1961 and the Guidance Note on Accounting for Fringe Benefits Tax issued by the ICAI.

p) Impairment of assets

An asset is considered as impaired in accordance with AS 28 on “Impairment of Assets” when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

q) Investments

Current investments are carried at lower of cost and fair value. Long term investments are carried at cost. Provision is made to recognise a decline other than temporary in the carrying amount of long term investments.

r) Contingent Liabilities

Contingent Liabilities as defined in AS 29 on "Provision, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

			As at March 31,2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
3.		Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**108.75**	186.78
4.	a)	Bank Guarantees	**271.88**	249.45
	b)	Letters of Credit	**-**	22.43
	c)	Counter guarantees given by the Company on behalf of group company	**39.00**	200.00
	d)	Guarantees given by a group company on behalf of the Company	-	80.00
5.		**Contingent liabilities :**		
(i)		Claims against the company not acknowledged as debt		
		Telecom Regulatory Matters * (Refer notes below)	223.69	273.56
		Others	146.50	104.80

* Amounts are net of provision for contingencies made aggregating to Rs. 185.60 Crores (previous year Nil) (Also refer note 27)

Notes:

Contingent liabilities in respect of Telecom Regulatory Matters include:

a) Bharat Sanchar Nigam Limited (BSNL) issued demand notices to pay Access Deficit Charge (ADC) aggregating to Rs.161.27 Crores, including interest, for the period November 14, 2004 upto February 28, 2006, the date after which ADC is payable on Net Adjusted Gross Revenue Basis. The demands stated that 'fixed wireless' services provided by the Company under the brand name "WALKY" had mobility features and should be treated as mobile services for the purpose of Interconnect Usage Charges Regulations and ADC was payable on such calls. The Company filed an appeal to the Hon'ble Telecom Dispute and Settlement Appellate Tribunal (TDSAT) in this regard, wherein the TDSAT negated the Company's appeal. The Company further filed an appeal before the Hon'ble Supreme Court (SC) who vide order dated April 30, 2008 confirmed that ADC was payable and since there were claims and counter-claims between the Company and BSNL, the SC directed that quantification of amounts payable to each other be made by TDSAT. The Company had filed a review petition in SC which was rejected.

The Company filed a petition in TDSAT to determine / reconcile amounts payable to each other and Hon'ble Telecom Dispute and Settlement Appellate Tribunal (TDSAT) vide its order dated August 12, 2008 held that BSNL and the Company should exchange relevant information and reconcile the differences. However, on April 15, 2010, TDSAT confirmed BSNL demands for period up to August 25, 2005 and has given BSNL liberty to lodge its claim for a further period up to February 28, 2006. The Company filed an appeal before SC against the aforesaid TDSAT order dated April 15, 2010. The SC vide its order dated July 23, 2010 admitted the appeal but no stay has been granted. The SC had asked for details / break up of demands which have been filed. The Company has also filed stay application in the SC.

Out of the aforesaid Rs.161.27 Crores, the Company, has, in earlier years, already provided for amounts aggregating to Rs.28.14 Crores pertaining to ADC for the period from August 26, 2005 upto February 28, 2006. The balance amounts aggregating to Rs.133.13 Crores have been disclosed as Contingent Liability under 'Telecom Regulatory Matters' as the Company is of the view that these demands include amounts relating to 'wireline' services and ADC for the period before August 26, 2005; the actual date after which, as per the directions of the Department of Telecom, services provided under the brand name "WALKY" are to be considered as Wireless in Local Loop (Mobile) for the purposes of ADC.

The Company during the earlier year had made on account payment to BSNL of Rs.75 Crores in relation to the above.

b) The Company had received a demand letter dated March 17, 2008 from Department of Telecommunications (DoT) for Rs.8.38 Crore, being a demand for spectrum charges for the period from April 1, 2005 to February 29, 2008.

This demand was subsequently revised to Rs.184.69 Crores by DoT, vide its demand letters dated July 3, 2008, for the period from October 1, 1998 to June 30, 2008 which was further increased to Rs.266.00 Crores vide letter dated February 28, 2009. The amount was again revised to Rs.259.70 Crores vide letter dated November 25, 2009 for the extended period till November 30, 2009.The Company had represented to the Wireless Planning Commission ("WPC"), various items of differences mentioned in the demand orders, vide letter dated September 24, 2008. Though the Company has now received a revised demand of Rs. 75.47 Crores from DoT on April 26, 2010 the reconciliation process with WPC is in progress. Hon'ble TDSAT vide its order dated August 25, 2010 has held that the Company should be given credit for all payments made on producing proof and no penalty should be levied and only simple interest should be charged. The Company is hopeful of success in the matter.

c) The definition of Adjusted Gross Revenue (AGR) does not specifically provide for exemption for proceeds of sale of shares/securities and deduction on account of bad debts in computation of Licence Fees (LF) payable to the Government. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal (TDSAT) had vide its judgment dated August 30, 2007, held that income from sale of securities is not related to licensed activity and hence should not attract LF and that bad debts written off, waivers and discounts are actual monies lost by service providers and hence should be deducted from AGR. The DoT has filed an appeal in Supreme Court (SC) against the aforesaid TDSAT ruling. Accordingly, the Company has considered Rs.154.36 Crores, being the LF on profit on sale of investment and bad debts written off during the current year, as contingent liability, pending disposal of the aforesaid appeal.

		As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
i)	Disputed Income Tax demands in Appeals before relevant authorities	**0.08**	0.08
ii)	Show cause /demand notices received from Service Tax Authorities	**66.96**	66.68
iii)	Sales Tax	**0.21**	0.21

iv) The Company has imported certain capital equipment under “Export Promotion of Capital Goods Scheme” of the Central Government at a concessional rate of Customs Duty. The Company has undertaken export obligation to the extent of USD 100.8 millions (Rs. 404.41 Crores) to be fulfilled during a period of 8 years commencing from the January 29, 2003, failing which the Company will be liable to pay the differential customs duty, together with interest and penalties, if imposed. Up-till the end of the year, the Company has fulfilled the export obligation to the extent of Rs.52.79 Crores (previous year Rs.52.79 Crores). The Company has also requested the authorities for granting extension of time for fulfilling the obligations in respect of certain licenses for which the Company expects to receive the same in due course.

v) The Company in 2002 had filed a petition before Hon'ble TDSAT claiming refund of Rs.50 Crores recovered by Department of Telecommunications (DoT) in 1999 alleging failure to sign basic services license agreement for Karnataka circle after accepting Letter of Intent (LoI). DoT during the proceedings before TDSAT claimed from the Company Rs.303 Crores towards loss of (opportunity to earn) license fee and Rs.351 Crores as interest till October 31, 2002. TDSAT allowed refund of Rs.50 Crores to the Company with interest of 17% p.a. and dismissed the counter-claim based on a law point (i.e.TDSAT had no jurisdiction) and facts. DoT appealed to the Hon'ble Supreme Court which without commenting on the merits of the counter-claim confirmed that TDSAT had jurisdiction and remanded the matter to TDSAT for fresh adjudication. DoT has filed with TDSAT a counter-claim of Rs.2,015 Crores which includes Rs.303 Crores towards loss of (opportunity to earn) license fee and interest of Rs.1,712 Crores calculated up to March 31, 2008. The matter has been argued on merits and TDSAT has reserved its judgment on January 25, 2011. The Company is hopeful of success in the matter.

Counter guarantees have been given by the Company in the ordinary course of business and no liability is expected to accrue in this respect.

As regards disputes and claims referred to above against the Company, appropriate competent professional advice is available to the Company based on which, favorable outcomes are anticipated and no liability is expected to accrue to the Company.

6. Payments to Auditors (excluding service tax) :

		2010-11 Rs. in Crores	2009-10 Rs. in Crores
i)	Audit fees	**0.21**	0.20
ii)	Tax Audit fees	**0.05**	0.05
iii)	Other matters (For Quarterly Audits, certification work etc.)	**0.31**	0.31
vi)	Out of pocket expenses [Current year Rs. 74,905/- (Previous year Rs. 38,423/-)]		

7. In November 1999, the Company established the Employee Stock Option Plan (ESOP) under which Equity Shares are reserved for issuance to eligible employees of the Company. In terms of the plan, 1.20 Crores warrants were issued to Hughes Tele.com (India) Limited Employees Stock Option Trust, to be held by it on behalf of the Company for awarding eligible employees as and when advised by the Compensation Committee constituted for the purpose. Each allotted warrant carries with it a right to purchase one Equity Share of the Company at a price of Rs.10/- per share. Other than 2,40,000 fully vested warrants allotted in an earlier year, all allotted warrants vest at the rate of 25% on each successive anniversary of the grant date, until fully vested. The period during which the vested warrants may be exercised expires after 10 years from the date of the vesting.

The position of the allotted warrants is as follows:

	As at March 31, 2011 (Nos.)	As at March 31, 2010 (Nos.)
Opening Balance	**-**	7,950
Exercised	**-**	6,350
Lapsed	**-**	1,600
Closing Balance	**-**	-

Since the market value of the Company's shares on the grant dates did not exceed the exercise price of Rs.10/-, no compensation expense has been recorded.

8. The Company is engaged in providing Telecommunication Services under Unified Access License. These, in the context of Accounting Standard 17 on "Segment reporting", are considered to constitute a single reportable segment.

9. (a) Operating lease rent expenses for the year in respect of lease agreements entered from April 1, 2001.

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Residential Flats for accommodation of employee	**0.06**	0.95
Cell Sites and others	**241.25**	166.64

(b) Future Minimum Lease Payments under Non-Cancellable Operating Lease :

	As at March 31, 2011	As at March 31, 2010
Due not later than one year	143.10	130.42
Due later than one year and not later than five years	453.70	454.48
Due later than five years	804.79	781.42

The agreements are executed for a period ranging from 6 months to 15 years with a renewable clause and in many cases also provide for termination at will by either party giving a prior notice period ranging between 30 to 90 days.

10. The disclosure as required under AS 15 regarding the Company's gratuity plan is as follows:

Particulars	**As at March 31, 2011 Rs. in Crores**	As at March 31, 2010 Rs. in Crores
Projected benefit obligation, beginning of the year	**5.35**	3.99
Service cost	**1.56**	1.21
Interest cost	**0.43**	0.40
Actuarial Gain on obligation	**(0.04)**	(0.12)
Benefits paid	**(0.46)**	(0.13)
Projected benefit obligation, end of the year	**6.84**	5.35

Projected benefit obligation, end of the year	**6.84**	5.35
Fair value of plan assets at the end of the year	**5.27**	3.73
Net liability recognized in the Balance Sheet	**1.57**	1.62

Fair Value of Plan Assets at the beginning of the year	**3.73**	2.77
Expected Return on Plan Assets	**0.29**	0.31
Contributions	**1.23**	1.08
Benefit Paid	**(0.46)**	(0.13)
Actuarial Gain / (Loss) on Plan Assets	**0.48**	(0.30)
Fair Value of Plan Assets at the end of the year	**5.27**	3.73
Total Actuarial Gain / (Loss) Recognized	**0.52**	(0.18)

Actuarial Assumptions

Particulars	**As at March 31, 2011 Rs. in Crores**	As at March 31, 2010 Rs. in Crores
Discount rate	**8.25%**	8.00%
Rate of increase in compensation levels of covered employees	**6.50%**	6.50%
Rate of Return on Plan Assets	**8.00%**	8.00%

Category of Assets	**As at March 31, 2011 Rs. in Crores**	As at March 31, 2010 Rs. in Crores
Insurer Managed Funds	**5.27**	3.73
Total	**5.27**	3.73

Experience Adjustment	**April-Mar'11 Rs. in Crores**	April-Mar'10 Rs. in Crores
On Plan Liability Loss	**0.21**	0.08
On Plan Asset Gain/(Loss)	**0.48**	(0.31)

11. No provision for current income tax has been made in the accounts, since the Company estimates that there will be no taxable profits for the year. Deferred Tax charges / credits have not been recognized in view of the tax holiday enjoyed by the Company and on considerations of prudence as set out in AS 22 on "Accounting for Taxes on Income".

12. Value of imports on CIF basis in respect of :

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Capital Goods	**193.42**	577.51

13. Expenditure in Foreign Currency (Payment basis) on account of :

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Interest	**9.23**	14.42
Other	**2.84**	3.19
	11.27	17.61

14. Value of Capital Inventory consumed during the year :

	2010-11 Rs. in Crores	%	2009-10 Rs. in Crores	%
Indigenous	**2.14**	**100**	8.63	100
Imported	**-**	**-**	-	-
	2.14	**100**	8.63	100

15) Related Party disclosures (in terms of Accounting Standard - 18)

i) Details of transactions with Related Parties

(Rs. in Crores)

For the year ended March 31, 2011	Ultimate Holding Company	Subsidiary Company (Upto to May 20, 2010)	Fellow Subsidiaries												
	Tata Sons Ltd.	21st Century Infra Tele Ltd.	21st Century Infra Tele Ltd.	Tata Teleservices Ltd.	Viom Networks Ltd. (Formely known as Wireless TT Info Services Ltd.	Drive India Enterprise Solutions Ltd.	Tata Internet Services Ltd.	Tata Business Support Services Ltd.	Tata Consultancy Services Ltd.	Tata Housing Development Company Ltd.	Tata Realty & Infrastructure Ltd.	Tata AIG Life Insurance Company Ltd.	Tata AIG General Insurance Company Ltd.	Tata Sky Ltd.	CMC Ltd.
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
☆1) Expenses :															
- Salary	-	-	-	11.51	-	-	-	-	-	-	-	-	-	-	-
- Customer Service and Call Centre Cost	-	-	-	0.03	-	-	-	4.03	66.66	-	-	-	-	-	-
- Advertisement and Business promotion expenses	-	-	-	57.15	-	11.07	-	-	-	-	-	-	-	0.01	-
- Network operation cost	-	9.12	80.14	15.59	0.10	-	-	-	-	-	-	-	-	-	-
- Administrative and Other Expenses	0.09	-	-	5.68	-	6.48	-	-	0.77	-	-	-	✦ -	-	-
- Rent	-	-	-	-	-	1.63	1.55	-	-	0.06	-	-	-	-	-
- Interconnection and Other access costs	-	-	-	116.29	-	-	-	-	-	-	-	-	-	-	-
- Infrastructure Sharing Cost	-	12.05	70.88	0.03	-	-	-	-	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
☆2) Income :															
- Towards Recharge Coupon Vouchers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rent	-	-	-	2.29	-	-	-	-	-	-	-	-	-	-	-
- Rendering Telecom Services	0.47	-	✦	12.78	0.07	0.04	-	0.43	11.89	0.32	0.34	1.34	0.41	0.74	0.72
- Sale of Network Interface Units	-	-	-	-	-	2.45	-	-	-	-	-	-	-	-	-
☆3) Reimbursement of Expenses	-	0.22	0.94	5.92	✦ -	-	-	-	-	-	-	-	-	-	-
4) Purchase of Fixed Asset	-	-	-	46.40	-	0.68	-	-	0.98	-	-	-	-	-	-
5) Security Deposits Repaid	-	10.00	-	-	-	-	-	-	-	-	-	-	-	-	-
6) Security Deposits Given	-	24.00	-	-	-	-	-	-	-	-	-	-	-	-	-
7) Repayment of inter corporate deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8) Sale of Subsidiary Company	-	-	-	-	956.33	-	-	-	-	-	-	-	-	-	-
9) Outstanding as at March 31, 2011 :															
Sundry Debtors	0.03	-	-	2.73	0.01	0.01	-	0.09	1.81	0.05	0.05	0.26	0.06	0.07	0.10
Sundry Creditors	✦ -	-	1.30	22.49	0.09	-	✦ -	-	0.60	-	-	-	-	-	-
Loans and Advances	-	-	-	-	-	2.44	-	-	-	-	-	✦ -	0.01	-	-
Security Deposits Taken	-	-	-	1.73	-	-	-	-	-	-	-	-	-	-	-
Security Deposits Given	-	-	14.00	-	-	-	-	-	-	0.01	-	-	-	-	-

✦ Since the figures are less than the denominations disclosed, the figures do not appear

☆ Figures above are inclusive of Service Tax where ever applicable

✸ Others Include

Ewart Investments Ltd.

Tata Trustee Company Ltd.

Tata Advanced Systems Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)
i) Details of transactions with Related Parties

Rs. in Crores

For the year ended March 31, 2011	Fellow Subsidiaries												Key Management Personnel	
	Infiniti Retail Ltd.	e-Nxt Financials Ltd.	Tata Consulting Engineers Ltd.	Tata Petrodyne Ltd.	Computational Research Laboratories Ltd.	Tata Asset Management Ltd.	TCS E-Serve Ltd.	TC Travel And Services Ltd.	Tata Capital Ltd.	Tata Securities Ltd.	Tata Investment Corporation Ltd.	Others ✸	Managing Director	Total
	16	17	18	19	20	21	22	23	24	25	26	27	28	
☆1) **Expenses :**														
- Salary	-	-	-	-	-	-	-	-	-	-	-	-	1.21	**12.71**
- Customer Service and Call Centre Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	**70.73**
- Advertisement and Business promotion expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	**68.22**
- Network operation cost	-	-	-	-	-	-	-	-	-	-	-	-	-	**104.95**
- Administrative and Other Expenses	0.32	-	-	-	-	-	-	0.38	-	-	-	-	-	**13.72**
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	**3.24**
- Interconnection and Other access costs	-	-	-	-	-	-	-	-	-	-	-	-	-	**116.29**
- Infrastructure Sharing Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	**82.96**
- Interest	-	-	-	-	-	-	-	-	0.56	-	-	-	-	**0.56**
☆2) **Income :**														
- Towards Recharge Coupon Vouchers	0.01	-	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	**2.29**
- Rendering Telecom Services	0.35	1.34	0.17	0.07	0.07	0.54	0.04	-	0.47	0.05	0.02	✦ -	0.01	**32.68**
- Sale of Network Interface Units	-	-	-	-	-	-	-	-	-	-	-	-	-	**2.45**
☆3) **Reimbursement of Expenses**	-	-	-	-	-	-	-	-	-	-	-	-	-	**7.08**
4) **Purchase of Fixed Asset**	-	-	-	-	-	-	-	-	-	-	-	-	-	**48.07**
5) **Security Deposits Repaid**	-	-	-	-	-	-	-	-	-	-	-	-	-	**10.00**
6) **Security Deposits Given**	-	-	-	-	-	-	-	-	-	-	-	-	-	**24.00**
7) **Repayment of inter corporate deposit**	-	-	-	-	-	-	-	-	20.00	-	-	-	-	**20.00**
8) **Sale of Subsidiary Company**	-	-	-	-	-	-	-	-	-	-	-	-	-	**956.33**
9) **Outstanding as at March 31, 2011 :**														
Sundry Debtors	0.03	0.30	0.03	✦	0.01	0.03	0.02	-	0.15	0.02	✦ -	-	✦ -	**5.86**
Sundry Creditors	0.01	-	-	-	-	-	-	-	0.04	-	-	-	-	**24.53**
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	**2.45**
Security Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.73**
Security Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	**14.01**

✦ Since the figures are less than the denominations disclosed, the figures do not appear
☆ Figures above are inclusive of Service Tax where ever applicable
✸ Others Include
Ewart Investments Ltd.
Tata Trustee Company Ltd.
Tata Advanced Systems Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)

i) Details of transactions with Related Parties

(Rs. in Crores)

For year ended March 31, 2010	Ultimate Holding Company	Subsidiary Company	Fellow Subsidiaries										
	Tata Sons Ltd.	21st Century Infra Tele Ltd.	Tata Teleservices Ltd.	Tata Internet Services Ltd.	Tata Business Support Services Ltd.	Tata Consultancy Services Ltd.	Tata Housing Development Company Ltd.	Tata Realty & Infrastructure Ltd.	Tata AIG Life Insurance Company Ltd.	Tata AIG General Insurance Company Ltd.	Tata Sky Ltd.	CMC Ltd.	Tata Asset Management Ltd.
	1	2	3	4	5	6	7	8	9	10	11	12	13
☆1) Expenses :													
- Salary	-	-	3.30	-	-	-	-	-	-	-	-	-	-
- Customer Service and Call Centre Cost	-	-	0.15	-	3.60	54.59	-	-	-	-	-	-	-
- Advertisement and Business	-	-	21.65	-	-	-	-	-	-	-	-	-	-
promotion expenses													
- Network operation cost	-	75.42	9.73	-	-	-	✧ -	-	-	-	-	-	-
- Administrative and Other Expenses	0.03	-	3.33	-	-	-	-	-	-	✧ -	-	-	-
- Rent	✧ -	-	0.01	1.57	-	-	0.01	-	-	-	-	-	-
- Interconnection and Other access costs	-	-	57.55	-	-	-	-	-	-	-	-	-	-
- Infrastructure Sharing Cost	-	82.80	0.57	-	-	-	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
☆2) Income :													
- Towards Recharge Coupon Vouchers	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rent	-	-	2.29	-	-	-	-	-	-	-	-	-	-
- Rendering Telecom Services	0.50	-	4.93	0.03	0.66	16.38	0.12	0.33	3.30	0.96	1.15	0.68	0.55
- Sale of Refurbished Network Interface Units	-	-	0.71	-	-	-	-	-	-	-	-	-	-
☆3) Reimbursement of Expenses	-	2.62	5.09	-	-	-	-	-	-	-	-	-	-
4) Investment in Subsidiary	-	45.00	-	-	-	-	-	-	-	-	-	-	-
5) Sale of Fixed Asset	-	3.06	36.37	-	-	-	-	-	-	-	-	-	-
6) Purchase of Fixed Asset	-	-	47.02	-	-	3.51	-	-	-	-	-	-	-
7) Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-
8) Repayment of inter corporate deposit	-	-	-	-	-	-	-	-	-	-	-	-	-
9) Outstanding as at March 31, 2010 :													
Sundry Debtors	0.06	-	0.93	0.02	0.10	1.67	0.03	0.01	0.44	0.56	0.14	0.06	0.02
Sundry Creditors	✧ -	-	6.30	-	-	0.03	0.01	-	-	-	-	-	-
Loans and Advances	-	14.75	-	✧ -	-	-	-	0.01	✧ -	0.01	-	-	-
Security Deposits Taken	-	-	1.73	-	-	-	-	-	-	-	-	-	-
Security Deposits Given	-	-	-	-	-	-	0.01	-	-	-	-	-	-
Inter-corporate Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
10) Investment in Subsidiary as at March 31, 2010	-	120.00	-	-	-	-	-	-	-	-	-	-	-

✧ Since the figures are less than the denominations disclosed, the figures do not appear

☆ Figures above are inclusive of Service Tax where ever applicable

✹ Others Include

Ewart Investments Ltd.

Tata Trustee Company Ltd. (formerly Tata Trustee Company Private Ltd.)

Tata Advanced Systems Ltd.

Wireless - TT Info Services Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)

i) Details of transactions with Related Parties

(Rs. in Crores)

For year ended March 31, 2010	Fellow Subsidiaries											Key Management Personnel	
	Tata Securities Ltd.	Infiniti Retail Ltd.	e-Nxt Financials Ltd.	Tata Consulting Engineers Ltd. (formerly TCE Consulting Engineers	Tata Investment Corporation Ltd.	Tata Petrodyne Ltd.	Computational Research Laboratories Ltd.	TCS E-Serve Ltd.	TC Travel And Services Ltd.	Tata Capital Ltd.	Others ✹	Managing Director	Total
	14	15	16	17	18	19	20	21	22	23	24	25	
☆**1) Expenses :**													
- Salary	-	-	-	-	-	-	-	-	-	-	-	1.63	4.93
- Customer Service and Call Centre Cost	-	-	-	-	-	-	-	-	-	-	-	-	58.34
- Advertisement and Business promotion expenses	-	0.26	-	-	-	-	-	-	-	-	-	-	21.91
- Network operation cost	-	-	-	-	-	-	-	-	-	-	-	-	85.15
- Administrative and Other Expenses	-	-	-	-	-	-	-	-	0.49	-	-	-	3.85
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	1.59
- Interconnection and Other access costs	-	-	-	-	-	-	-	-	-	-	-	-	57.55
- Infrastructure Sharing Cost	-	-	-	-	-	-	-	-	-	-	-	-	83.37
- Interest	-	-	-	-	-	-	-	-	-	1.08	-	-	1.08
☆**2) Income :**													
- Towards Recharge Coupon Vouchers	-	0.06	-	-	-	-	-	-		-	-	-	0.06
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	2.29
- Rendering Telecom Services	0.24	0.65	1.34	0.39	0.01	0.06	0.03	0.12	-	0.94	0.01	0.02	33.40
- Sale of Refurbished Network Interface Units	-	-	-	-	-	-	-	-	-	-	-	-	0.71
☆**3) Reimbursement of Expenses**	-	-	-	-	-	-	-	-	-	-	✧ -	-	7.71
4) Investment in Subsidiary	-	-	-	-	-	-	-	-		-	-	-	45.00
5) Sale of Fixed Asset	-	-	-	-	-	-	-	-	-	-	-	-	39.43
6) Purchase of Fixed Asset	-	✧ -	-	-	-	-	-	-	-	-	-	-	50.53
7) Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	40.00	-	-	40.00
8) Repayment of inter corporate deposit	-	-	-	-	-	-	-	-	-	20.00	-	-	20.00
9) Outstanding as at March 31, 2010 :													
Sundry Debtors	0.05	0.06	0.31	0.03	✧ -	0.01	✧ -	0.03	-	0.11	✧ -	-	4.64
Sundry Creditors	-	-	-	0.01	-	-	-	-	-	0.03	-	-	6.38
Loans and Advances	-	0.15	-	-	-	-	-	-	-	-	✧ -	-	14.92
Security Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	1.73
Security Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Inter-corporate Deposits	-	-	-	-	-	-	-	-	-	20.00	-	-	20.00
10) Investment in Subsidiary as at March 31, 2010	-	-	-	-	-	-	-	-	-	-	-	-	120.00

✧ Since the figures are less than the denominations disclosed, the figures do not appear

☆ Figures above are inclusive of Service Tax where ever applicable

✹ Others Include

Ewart Investments Ltd.

Tata Trustee Company Ltd. (formerly Tata Trustee Company Private Ltd.)

Tata Advanced Systems Ltd.

Wireless - TT Info Services Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)

ii) Details of all Related Parties and their relationships

A Ultimate Holding Company
Tata Sons Ltd.

B Subsidiary Company
21st Century Infra Tele Ltd. (till 20.05.2010)

C List of Fellow Subsidiaries

1 Tata Teleservices Ltd.
2 Tata Internet Services Ltd.
3 Tata Business Support Services Ltd.
4 Tata Consultancy Services Ltd.
5 Tata Housing Development Company Ltd.
6 Tata Realty & Infrastructure Ltd.
7 Tata AIG Life Insurance Company Ltd.
8 Tata AIG General Insurance Company Ltd.
9 Tata Sky Ltd.
10 CMC Ltd.
11 Tata Asset Management Ltd.
12 Tata Securities Ltd.
13 Infiniti Retail Ltd.
14 e-Nxt Financials Ltd.
15 Tata Consulting Engineers Ltd.
16 Tata Petrodyne Ltd.
17 Computational Research Laboratories Ltd.
18 Tcs E-Serve Ltd.
19 TC Travel And Services Ltd.
20 Tata Capital Ltd.
21 Tata Investment Corporation Ltd.
22 Ewart Investments Ltd.
23 Tata Trustee Company Private Ltd.
24 Tata Advanced Systems Ltd.
25 Viom Networks Ltd. (Formerly known as Wireless TT Info Services Ltd.)
26 Drive India Enterprise Solutions Ltd.
27 21st Century Infra Tele Ltd. (w.e.f. 21.05.2010)

D Key Management Personnel (Managing Director)

1 Dr. Mukund Govind Rajan (till 20.05.2010)
2 Mr. Anil Kumar Sardana (till 31.01.2011)
3 Mr. N. Srinath (w.e.f. 01.02.2011)

16. Derivatives

i) Outstanding derivatives :

	As at Mar 31, 2011 USD in Millions	**As at Mar 31, 2011 Rs. in Crores**	As at Mar 31, 2010 USD in Millions	As at Mar 31, 2010 Rs. in Crores
a) Forward Contract	**65.35**	**291.43**	86.03	386.25
b) Currency options for hedging of foreign currency exposure	**70.00**	**313.79**	58.00	261.61
Total	**135.35**	**605.22**	144.03	647.86
c) Interest Rate Swaps	**0.99**	**4.41**	66.83	300.06

ii) The mark to market loss of outstanding interest rate swaps as at the year-end aggregate to Rs. 1.92 Crores (Previous year Rs. 8.27 Crores).

iii) The foreign currency exposure that are not hedged by derivative instruments:

	As at Mar 31, 2011 USD in Millions	**As at Mar 31, 2011 Rs. in Crores**	As at Mar 31, 2010 USD in Millions	As at Mar 31, 2010 Rs. in Crores
Vendor payables	**107.91**	**481.22**	41.08	184.45
	107.91	**481.22**	41.08	184.45

	As at March 31, 2011	As at March 31,2010
17. Earnings Per Share Data		
i) Profit / (Loss) after Tax (Rs. in Crores)	**49.90**	(298.01)
ii) Weighted average number of shares outstanding.	**1,897,196,854**	1,897,196,089
iii) Nominal Value of Equity Shares (Rs)	**10**	10
iv) Basic and Diluted Earnings per Share (Rs.)	**0.26**	(1.57)

18. Quantitative details of principal items of goods traded (Starter Kits):

	Quantity (Nos)	**Value Rs. in Crores**
a) Opening Stock	**2843689**	**6.40**
	(674148)	(2.01)
b) Purchases	**9461883**	**19.58**
	(13459703)	(27.37)
c) Sales	**10144708**	**34.31**
	(11290162)	(33.96)
D) Closing Stock	**2160864**	**3.78**
	(2843689)	(6.40)

Note: Figures in ( ) pertain to those of the previous year.

19. Following units have been purchased and redeemed by the Company during the year ended March 31, 2011:

Particulars	No. of Units	Face Value	Cost (Rs. in Crores)
ICICI Prudential Ultra Short Term Plan Super Premium Growth	244,491,263.27	10	254.53
ICICI Prudential Flexible Income Plan Premium - Growth	20,819,938.33	100	360.59
ICICI Prudential Liquid Plan Super Institutional Growth	170,859,735.29	100	2,348.88
ICICI Floating Rate Plan D	3,582,389.03	100	50.02
HDFC Liquid Fund - Premium Plus Plan - Growth	217,856,941.41	10	407.20
HDFC Liquid Fund - Premium Plan - Growth	71,758,371.48	10	135.00
HDFC Cash Mgt Fund- Treasury Advantage Plan- Wholesale Growth	80,281,967.48	10	164.07
BSL Saving Fund Institutional Growth	76,451,955.02	10	135.80
BSL Cash Plus Institutional Premium Growth	263,379,714.03	10	396.60
BSL Ultra Short Term Fund Institutional Growth	76,819,492.27	10	85.00
BSL Cash Manager - Institutional Plan Growth	32,992,597.06	10	52.07
Tata Floater Fund	41,590,186.91	10	58.53
Tata Liquid Super High Inv. Fund - Appreciation	1,741,042.38	1,000	305.20
JPMorgan India Liquid Fund - Super Institutional Growth	80,066,871.88	10	98.75
LICMF Liquid Fund - Growth Plan	29,307,418.23	10	50.76
JM High Liquidity Fund - Super Inst Plan - Growth	28,512,232.13	10	42.25
DSP Black Rock Liquidity Fund - Institutional Plan - Growth	843,226.58	1,000	116.30
SBI- Magnum Insta Cash Fund - Cash Option	11,675,150.61	10	25.00
SBI- Premier Liquid Fund - Super Inst. Growth	5,875,555.73	10	9.00
Reliance Liquid Fund Cash Plan - Growth	46,813,336.84	10	73.36
IDBI Liquid Fund - Growth	23,860.13	1,000	2.50
UTI Money Market Mutual Fund - Institutional Growth Plan	110,055.58	1,000	12.00

20. Managerial Remuneration :

i) Managing Director

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Salaries	**1.10**	0.91
Contribution to Provident and other Fund	**0.01**	0.07
Monetary value of perquisites	**0.10**	0.65
Total	**1.21**	1.63

Note:

a) 2010-11 figures include Rs.0.56 Crores paid during the year for 2009-10 on account of bonus / performance pay.

b) 2009-10 figures include Rs.0.50 Crores paid during the year for 2008-09 on account of bonus / performance pay.

c) The above represents the remuneration of erstwhile Managing Directors.

ii) Non-executive Directors

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Directors' Sitting Fees	**0.06**	0.07

21. The Company, had identified certain Network Interface Units (NIU's), which had been disconnected and were not in use (including not retrieved) and also had been fully depreciated in the books of account. The management, having regard to the present condition of the said NIUs, their future usability and the fact that these NIUs have been fully depreciated, had decided to write-off the same. Accordingly during the current year the said NIU's aggregating Nil (Previous Year Rs.104.54 Crores) were written off and removed from the block of fixed assets.

22. The Company during the quarter ended June 30, 2010, succeeded in winning the bid for 3G spectrum in Maharashtra circle (including Goa and excluding Mumbai). The bid price paid towards the related license fees aggregating to Rs.1,257.82 Crores have been capitalised under License under Fixed Assets.

In accordance with the accounting policy followed in this regard, the Company has commenced amortization of the aforesaid license fees, on commencement of 3G operations and such fees will be amortised over the remaining life of the license.

The borrowing costs attributable to the aforesaid aggregating Rs. 62.82 Crores (Previous year Rs.18.79 Crores towards GSM operations) have been capitalized during the year in accordance with AS 16 on 'Borrowing Costs'.

23. Information regarding the total outstanding dues of Micro Enterprises and Small Enterprises in Schedule 11 is given to the extent the same is available with the Company.

24. The Company in the previous year had entered in to a share purchase agreement with Viom Networks Limited (formerly Wireless-TT Info Services Limited) for selling its stake in its wholly owned subsidiary viz. 21st Century Infra Tele Limited. The Company has, accordingly, accounted for profit (net of related expenses) on the aforesaid sale aggregating to Rs.834.93 Crores during the year, on completion of the necessary formalities.

25. The Central Government, vide notification dated March 31, 2009, amended AS 11 on ´The Effect of Changes in Foreign Exchange Rates', whereby, companies have been given an option to account for exchange differences arising on reporting of long-term foreign currency monetary items (assets/liabilities) in so far as they relate to acquisition of a depreciable capital asset, to be added/deducted from the cost of the asset and for others to be accumulated in a separate reserve to be amortized over the balance life of the asset/liability but not beyond March 31, 2011. The aforesaid option is effective with retrospective effect in respect of accounting periods commencing on or after December 7, 2006. Accordingly, the Company opted to exercise this option during the year ending March 31, 2009 and had given the effect of the same in the accounts of the said year.

During the current year, pursuant to the said option, the Company has adjusted exchange loss aggregating to Rs. 6.81 Crores (Previous year Rs.34.65 Crores (exchange gain)) against the carrying value of fixed assets.

The amount (after the aforesaid adjustments) of Plant and Machinery as at the year-end aggregates to Rs.2.80 Crores (credit) (Previous Year Rs. 7.54 Crores (credit)) which has been adjusted by way of depreciation on the grounds of materiality.

26. During the year, the Company re-estimated the balance useful life of certain items of plant and machinery considering up-gradation of equipment on account of enhancement of technology and the consequent enhanced pace of planned replacement. As a result the depreciation charge for the current year is higher by Rs. 184.81 Crores.

27. The following table sets forth the movement in the provision for contingencies:

Rs. in Crores

Sr. No.	Description	As at April 1, 2010	Additions during the period / year	Amount used / reversed	As at March 31, 2011
1	Provision for Contingencies	- (16.74)	185.60 -	- (16.74)	185.60 -

a. Figures pertaining to the previous year have been disclosed in brackets.

b. Provision for contingencies are primarily towards the outstanding claims / litigations against the Company relating to Department of Telecommunication (DoT) and other parties.

28. The accumulated losses of the Company at the close of the year have exceeded its paid-up capital and reserves. This, however, is not uncommon for telecommunication service providers, due to the high operation costs and on account of the industry being inherently capital intensive. However, the Company is consistently making operating cash profits over the past few years.

The subscriber base of the Company has further increased with the launch of services using the GSM technology during the previous year. The Company has also received sanctions from banks for additional long-term funds for future expansion. Further, during the current year the Company succeeded in winning the bid for 3G spectrum in Maharashtra circle (including Goa and excluding Mumbai) and has also commenced 3G services.

Accordingly, based on the aforesaid considerations, the Company is confident of it's ability to continue it's business as a going concern and the accounts have been prepared on that basis.

29. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

Signatures to Schedules '1' to '17'

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjhunwala
(Director)

D. T. Joseph
(Director)

Koichi Takahara
(Director)

S. Ramadorai
(Director)

Anil Kumar Sardana
(Director)

N. S. Ramachandran
(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

		2010-11 Rs. in Crores	2009-10 Rs. in Crores
A	**Cash flows from operating activities**		
	Net Profit / (Loss) before tax	**49.91**	(298.00)
	Adjustments for :		
	Depreciation/Amortisation (Refer Note 26 of Schedule 17)	**750.70**	520.89
	Profit on Fixed assets sold (Net)	**(29.24)**	(35.45)
	Profit on redemption of units (Current Investment)	**(6.41)**	(0.06)
	Interest Income	**(1.23)**	-
	Profit on Sale of Long term investment (Refer note 24 of Schedule 17)	**(834.93)**	-
	Provision for contingencies (Refer note 27 of Schedule 17)	**185.60**	-
	Asset awaiting disposal written off	**-**	0.56
	Finance and Treasury charges	**353.80**	317.68
		418.29	803.62
	Operating profit before working capital changes	**468.20**	505.62
	(Increase) in Sundry Debtors	**(30.86)**	(23.39)
	(Increase) in Loans and Advances	**(216.41)**	(1.70)
	Decrease / (Increase) in Inventory	**2.62**	(4.39)
	Increase in Current liabilities and Provisions	**8.26**	74.39
	Cash Generated from operations	**231.81**	550.53
	Taxes paid	**(0.01)**	(0.01)
	Net Cash generated from operating activities	**231.80**	550.52
B	**Cash flow from investing activities**		
	Purchase of Fixed Assets	**(1858.09)**	(728.80)
	Proceeds from sale of Fixed Assets	**37.10**	39.23
	Purchase of Current Investments	**(5,183.41)**	(74.85)
	Sale of Current Investments	**5,189.82**	74.91
	Proceeds from sale of long term Investment (Refer Note 24 of Schedule 17)	**956.33**	-
	Investment in Subsidiary	**-**	(45.00)
	Net Cash used for investing activities	**(858.25)**	(734.51)
C	**Cash flow from financing activities**		
	Proceeds from Issue of Shares	**-**	0.01
	Proceeds from Long term borrowings	**679.25**	1,186.00
	Repayment of Long term borrowings	**(170.27)**	(1,336.23)
	Proceeds from Short term borrowings	**3,314.78**	1,833.00
	Repayment of Short term borrowings	**(2,640.00)**	(1,316.95)
	(Repayment) / Proceeds of Acceptances and Cash Credit Accounts (Net)	**(140.59)**	131.34
	Finance and Treasury charges paid	**(366.25)**	(317.68)
	Interest received	**1.23**	-
	Net cash generated from financing activities	**678.15**	179.49
	Net increase / (decrease) in cash or cash equivalents	**51.70**	(4.50)
	Cash and cash equivalents at beginning of the year	**22.98**	27.48
	Cash and cash equivalents at end of the year	**74.68**	22.98
		51.70	(4.50)

Notes to Cash Flow Statement

1. Components of Cash and Cash Equivalents include Cash and Bank balances in Current Accounts (Refer Schedule 7 to the Balance Sheet).
2. Purchase of Fixed Assets are inclusive of movements in Capital Work-in-Progress between the commencement and end of the year.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjhunwala
(Director)

D. T. Joseph
(Director)

Koichi Takahara
(Director)

S. Ramadorai
(Director)

Anil Kumar Sardana
(Director)

N. S. Ramachandran
(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
TATA TELESERVICES (MAHARASHTRA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA TELESERVICES (MAHARASHTRA) LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the subsidiary, whose financial statements reflect total revenues of Rs.9.74 Crores and net cash inflows amounting to Rs.0.03 Crores for the year ended on March 31, 2011 as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiary, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

A B Jani
Partner
Membership No. 46488

Mumbai, dated: April 26, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**1,897.20**	1,897.20
Reserves and Surplus	2	**583.16**	583.16
		2,480.36	2,480.36
Loan Funds			
Secured Loans	3	**2,669.78**	2,630.96
Unsecured Loans	4	**1,982.82**	1,309.00
		4,652.60	3,939.96
Total		**7,132.96**	6,420.32
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block (at cost)		**7,621.16**	6,163.58
Less : Accumulated Depreciation / Amortisation		**2,818.33**	2,212.38
Net Block		**4,802.83**	3,951.20
Capital Work - In - Progress		**153.05**	204.71
		4,955.88	4,155.91
Current Assets, Loans and Advances			
Cash and Bank Balances	6	**74.68**	23.01
Sundry Debtors	7	**294.98**	292.43
Inventories	8	**3.78**	6.40
Loans and Advances	9	**517.46**	331.14
		890.90	652.98
Less : Current Liabilities and Provisions			
Current Liabilities	10	**1,619.05**	1,552.94
Provisions	11	**191.56**	12.65
		1,810.61	1,565.59
Net Current Liabilities		**(919.71)**	(912.61)
Profit and Loss Account		**3,096.79**	3,177.02
Total		**7,132.96**	6,420.32
Significant Accounting Policies and Notes to Financial Statements	16		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

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(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	2010-11 Rs. in Crores	2009-10 Rs. in Crores
INCOME			
Telecommunication Services	12	**2,248.74**	2,069.10
Infrastructure Sharing Revenue		**16.85**	29.17
Other Income	13	**60.09**	211.18
Profit on Sale of Subsidiary (Refer Note 24 of Schedule 16)		**865.38**	-
Total		**3,191.06**	2,309.45
EXPENDITURE			
Operation and Other Expenses	14	**1,815.87**	1,712.95
Provision for contingencies (Refer Note 27 of Schedule 16)		**185.60**	-
Profit before Finance and Treasury charges, Depreciation and Tax		**1,189.59**	596.50
Finance and Treasury Charges (Net)	15	**351.71**	350.51
Depreciation /Amortisation. (Refer Note a of Schedule 5 and Note 26 of Schedule 16)		**757.64**	563.98
Profit / (Loss) before tax		**80.24**	(317.99)
Provision for Tax			
- Wealth Tax		**0.01**	0.01
Profit / (Loss) after tax		**80.23**	(318.00)
Balance brought forward		**(3,177.02)**	(2,859.02)
Balance carried to Balance Sheet		**(3,096.79)**	(3,177.02)
Earnings Per Share - Basic and Diluted (Rs.) (Refer Note 17 of Schedule 16)		**0.42**	(1.68)
Par Value (Rs.)		**10.00**	10.00
Significant Accounting Policies and Notes to Financial Statements	16		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar
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(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
2,500,000,000 Equity Shares of Rs.10/- each	**2,500.00**	2,500.00
	2,500.00	2,500.00
Issued and Subscribed		
1,897,196,854 (Previous year 1,897,196,854) Equity Shares of Rs.10/- each fully paid-up	**1,897.20**	1,897.20
	1,897.20	1,897.20

Notes:
Of the above 1,107,401,219 Equity Shares are held by Tata Sons Limited (the ultimate Holding Company) and its Subsidiaries.

SCHEDULE - 2		
RESERVES AND SURPLUS		
Securities Premium Account:		
Balance As per last Balance Sheet	**583.16**	583.16
	583.16	583.16

SCHEDULE - 3		
SECURED LOANS		
From Banks (Refer note below)		
Term Loans	**2,066.58**	1,883.64
Cash Credit Accounts	**12.85**	168.91
Acceptances	**590.35**	578.41
	2,669.78	2,630.96

Note :

Stipulated securities for the loans are either one or more of the following as per terms of the arrangements with respective banks :

- by first pari pasu charge on the assets of the Company,
- by pledge of shares held by Tata Teleservices Limited in the Company,
- by assignment of the proceeds on sale of network in the event of cancellation of the telecom license,
- by assignment of telecom license and
- by assignment of insurance policies,
- by sponsor support undertaking of Tata Sons Limited (the Ultimate Holding Company).

SCHEDULE - 4		
UNSECURED LOANS		
From Banks		
- Short Term Loans	**1,982.82**	1,289.00
Inter-corporate deposits	**-**	20.00
	1,982.82	1,309.00

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE - 5

FIXED ASSETS

Rs. in Crores

PARTICULARS	Notes	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		As at April 1, 2010	Additions	Deletions	Adjustments Refer Note (c) below	As at March 31, 2011	Upto March 31, 2010	For the year	Deletions	Adjustments Refer Note (c) below	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets													
Leasehold assets :													
Land		7.11	-	-	-	7.11	1.25	0.07	-	-	1.32	5.79	5.86
Office premises		6.86	-	-	-	6.86	1.60	0.08	-	-	1.68	5.18	5.26
Buildings		15.01	1.42	-	-	16.43	0.97	0.30	-	-	1.27	15.16	14.04
Plant and Machinery		4,986.94	760.21	9.87	601.42	5,135.86	1,718.88	641.25	2.07	148.96	2,209.10	2,926.76	3,268.06
Furniture, Fixtures and Office Equipment		105.91	5.23	0.02	0.16	110.96	78.28	14.82	0.02	0.04	93.04	17.92	27.63
Vehicles		1.71	-	0.66	-	1.05	0.98	0.24	0.60	-	0.62	0.43	0.73
Intangible Assets													
License (Refer note 17 of Schedule 16)	(f)	925.21	1,257.82	-	-	2,183.03	364.95	90.25	-	-	455.20	1,727.83	560.26
Indefeasible Rights of Use ('IRU')		83.24	36.56	-	-	119.80	22.29	6.42	-	-	28.71	91.09	60.95
Computer Software		31.59	8.47	-	-	40.06	23.18	4.21	-	-	27.39	12.67	8.41
		6,163.58	**2,069.71**	**10.55**	**601.58**	**7,621.16**	**2,212.38**	**757.64**	**2.69**	**149.00**	**2,818.33**	**4,802.83**	**3,951.20**
Previous year		4,948.80	1,326.23	111.45	-	6,163.58	1,753.12	566.34	107.08	-	2,212.38		
Capital Work-In-Progress:													
Capital advances												24.82	24.28
Capital Inventory [net of provision for obsolescence of Rs. 15.75 Crores (previous year Rs. 15.75 Crores)]												108.85	140.45
Assets under construction												19.38	39.98
												153.05	**204.71**
											TOTAL	**4,955.88**	**4,155.91**

Notes:

(a) Depreciation in the Profit and Loss Account is net of amounts aggregating to Nil (previous year Rs. 2.36 Crores) on account of write back of provision for obsolescence on capital inventory put to use.

(b) Deletion includes Plant and Machinery aggregating to Nil [Previous Year Rs. 104.54 Crores (Gross Block)] which are fully depreciated and are written off during the period. (Refer note 21 of Schedule 16)

(c) Refer Note 24 of Schedule 16.

(d) Refer Note 25 of Schedule 16 regarding adjustment of foreign exchange differences on account of notification issued by Central Government.

(e) Refer Note 26 of Schedule 16 regarding re-estimation of balance useful life of certain items of Plant and Machinery.

(f) Remaining amortisation period for License fees is -
- for providing services using CDMA and GSM - 6.5 years (Previous Year 7.5 years)
- for providing services using 3G - 19.25 years.

(g) The legal formalities in respect of one of the buildings are in the process of being completed.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 6		
CASH AND BANK BALANCES		
Cash on hand	-	0.03
Balance with Scheduled Banks in		
- Current Accounts	**24.28**	22.88
- Cash Credit Accounts (Refer Note below Schedule 3)	**0.10**	0.10
- Term Deposit Accounts (including interest accrued Rs.0.30 Crores (previous year Nil))	**50.30**	-
	74.68	23.01
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured)		
Outstanding for a period exceeding six months	**88.79**	306.50
Others	**276.43**	267.73
	365.22	574.23
Less: Provision	**70.24**	281.80
	294.98	292.43
Note:		
Considered good	**294.98**	292.43
Considered Doubtful	**70.24**	281.80
	365.22	574.23
SCHEDULE - 8		
INVENTORY		
Traded Goods		
Starter Kits	**3.78**	6.40
	3.78	6.40
SCHEDULE - 9		
LOANS AND ADVANCES		
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received [Includes Rs.0.18 Crores due from an officer of the Company. Maximum amount outstanding at any time during the year is Rs.0.18 Crores (Previous year Rs.0.18 Crores)]	**442.96**	274.56
Premises and other deposits	**60.76**	48.51
Advance Tax paid (Tax Deducted at Source)	**16.36**	10.69
	520.08	333.76
Less : Provision	**2.62**	2.62
	517.46	331.14
Note :		
Considered good	**517.46**	331.14
Considered doubtful	**2.62**	2.62
	520.08	333.76

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 10		
Current Liabilities		
Sundry Creditors (Refer Note 23 of Schedule 16)		
Total Outstanding dues of Micro Enterprises and Small Enterprises	**0.35**	-
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises:		
- Under Usance Letter of Credit	**571.67**	526.26
- Others	**877.59**	890.04
	1,449.61	1,416.30
Deposits from Customers and others	**66.30**	78.06
Interest accrued but not due on loans	**2.68**	15.13
Other liabilities	**100.46**	43.45
	1,619.05	1,552.94

Note: Other Liabilites include temporary overdrawn bank balances aggregating to Rs.37.35 Crores (Previous year Rs.0.93 Crores)

	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
SCHEDULE - 11		
Provisions		
For Contingencies	**185.60**	-
For Asset retirement obligation (site restoration cost)	**0.49**	6.93
For Retirement benefits	**5.46**	5.71
For Wealth Tax	**0.01**	0.01
	191.56	12.65

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT MARCH 31, 2011

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
SCHEDULE - 12		
TELECOMMUNICATION SERVICES		
Telephony	**1,890.05**	1,788.14
Internet Services	**94.71**	72.64
Interconnection Usage Charges [including in respect of earlier years Rs. Nil Crores(Previous year Rs. 0.62 Crores)]	**229.67**	174.36
Sale of Traded Goods	**34.31**	33.96
	2,248.74	2,069.10
SCHEDULE - 13		
OTHER INCOME		
Subsidies from Department of Telecommunications (DoT)	**6.87**	141.29
Excess provision / Sundry credit balances in respect of earlier years written back	**18.19**	28.16
Profit on Fixed assets sold (Net)	**29.24**	35.41
Sale of Refurbished Network Interface Units	**1.15**	2.66
Miscellaneous Receipts	**4.64**	3.66
	60.09	211.18
SCHEDULE - 14		
OPERATION AND OTHER EXPENSES		
Network Operation costs		
Revenue Share to DoT	**197.94**	193.97
Repairs and Maintenance - Plant and Machinery [including capital inventory consumed Rs.2.14 Crores (Previous year Rs.8.63 Crores)]	**39.34**	68.47
Power	**150.19**	107.96
Rent	**57.70**	49.20
Rates and taxes	**2.69**	9.41
Insurance	**1.38**	2.02
Infrastructure Sharing Cost	**156.47**	51.84
Others	**25.47**	23.64
	631.18	506.51
Interconnection and Other access costs	**456.97**	440.91
[including in respect of earlier years Nil (Previous year Rs. 0.22 Crores)] (net of excess provision in respect of earlier years written back Rs. 3.07 crores (previous year Nil))		
Payments to and Provisions for Employees		
Salaries and Bonus	**147.67**	129.27
Contribution to Provident and other Funds	**7.27**	7.59
Staff Welfare	**10.89**	11.91
	165.83	148.77

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT MARCH 31, 2011

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Administrative and Other expenses		
Rent (net of recoveries Rs.0.41 Crores (previous year Nil))	**19.07**	19.87
Rates and taxes	**7.94**	5.88
Repairs and Maintenance -others	**9.99**	5.71
Travel and conveyance expenses	**11.44**	19.26
Collection / Credit verification charges	**10.02**	11.10
Customer service and call centre cost	**108.94**	110.83
Assets awaiting disposal written off	**-**	0.56
Bad Debts writen off	**237.94**	-
Provision for Doubtful Debts written back	**(237.94)**	-
Provision for Bad/Doubtful debts and advances	**27.32**	20.54
(Net of insurance received amounting to Rs. Nil (previous year Rs.0.42 Crores))		
Insurance Expenses	**0.02**	0.03
Miscellaneous expenses	**46.61**	50.79
Contractual and other claims and liabilities (Net)	**(1.44)**	0.29
	239.91	244.86
Marketing and business promotion expenses		
Advertisement and business promotion expenses	**152.76**	133.09
Hand set Subsidy (Net of Rs.6.60 Crores (Previous year Rs.3.57 Crores) incentive received)	**7.63**	80.67
Sales Commission and Expenses	**139.39**	135.16
Traded Goods - Starter Kits		
Opening Stock	**6.40**	2.01
Purchases	**19.58**	27.37
Less: Closing stock	**3.78**	6.40
	22.20	22.98
	321.98	371.90
	1,815.87	1,712.95

SCHEDULE - 15

FINANCE AND TREASURY CHARGES (NET)

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Interest		
On Fixed Term Loans	**351.23**	325.45
On Inter-corporate deposits	**0.57**	1.08
On Others	**30.22**	15.56
Expenses for loan arrangement, bill discounting and bank charges	**21.26**	22.80
Foreign exchange fluctuations (Net) (Refer Note 16(ii) of Schedule 16)	**18.89**	4.48
	422.17	369.37
Less: Interest Capitalized (Refer Note 22 of schedule16)	**62.82**	18.79
	359.35	350.58
Less: Interest Income		
On Term Deposits with Banks (Tax deducted at source Rs.0.07 Crores (Previous year Nil))	**1.12**	-
On Others	**0.11**	-
	358.12	350.58
Less: Profit on sale / redemption of units (Current Investment)	**6.41**	0.07
	351.71	350.51

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1. Company background

Tata Teleservices (Maharashtra) Limited ("TTML"/"Parent Company"), is licensed to provide basic and cellular telecommunication services. TTML presently holds two Unified Access (Basic and Cellular) Service Licenses, one for Mumbai Service Area and another for Maharashtra and Goa and provides telecommunication services using Code Division Multiple Access (CDMA) technology. The Parent Company has also commenced telecommunication services using Global System for Mobile Communications (GSM) technology under the aforesaid licenses. TTML also holds the National Internet Service provider - Internet Telephony license.

TTML is a subsidiary of Tata Sons Limited. (the ultimate holding Company).

21st Century Infra Tele Limited ("CITL"/"subsidiary") became a wholly owned subsidiary of TTML w.e.f July 1, 2008. CITL provides passive infrastructure support to telecommunication service providers. The Department of Telecommunications, Ministry of Communication and IT, Government of India has registered CITL as a Infrastructure Provider Category I (IP-I) with effect from 30th September, 2008. CITL had entered into a Business Transfer Agreement with TTML on September 30, 2008 for purchase of "Passive Tower Infrastructure Business" ('PI Business') from TTML on a going concern basis for a lump sum consideration. During the year the Subsidiary company has been sold by the Parent Company (Also refer note 24 below).

2. Significant Accounting Policies

(a) Basis of preparation of financial statements

The accompanying Consolidated Financial Statements of the Parent Company and its subsidiary as aforesaid (hereinafter together referred as "the group"), have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards (AS) notified in the Companies (Accounting Standards) Rules 2006. The financial statements of the subsidiaries used in the consolidation are drawn up to the date of sale of Subsidiary Company.

(b) Principles of Consolidation

The financial statements of the Parent Company and its subsidiary have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income, expenses, after eliminating intra-group transactions and any unrealized gain or losses on the balances remaining within the group in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" (AS-21).

The financial statements of the Parent Company and its subsidiary have been consolidated using uniform accounting policies for like transaction and other events in similar circumstances.

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

(d) Fixed Assets

Fixed assets are stated at their historical cost of acquisition or construction, less accumulated depreciation/ amortisation. Cost includes all costs incurred to bring the assets to their working condition and location (Also refer note 25) and Site Restoration cost obligations where outflow of resources is considered probable.

Assets retired from active use and held for disposal are stated at lower of net book value or net realisable value.

Expenditure related to and incurred during the construction period of switches and cell sites are capitalised as part of the construction cost and allocated to the relevant fixed assets.

Capital inventory comprises switching equipment, field unit cards, tower equipment, capital stores and other accessories that are carried under Capital Work-In-Progress till such time as they are issued for new installation or replacement.

The Group capitalises software and related implementation costs as intangible assets, where it is reasonably estimated that the software has an enduring useful life.

License fees paid by the Parent Company for acquiring licenses to operate telecommunication / internet telephony services are capitalised as intangible assets.

Indefeasible Rights to Use ('IRU') bandwidth capacities by the Parent Company are capitalised as intangible assets.

Assets acquired pursuant to an agreement for exchange of similar assets are recorded at the net book value of the assets given up, with an adjustment for any balancing receipt or payment of cash or any other form of consideration.

(e) Depreciation

i) Fixed assets are depreciated on a straight line basis, based on the following estimates of their useful economic lives:

	Useful Life (In years)
Buildings	60
Plant and Machinery (Also refer Note 26 below)	
- Network Equipment	12
- Outside Plant	18
- Network Interface Units (Refer note 21)	5
- Air- Conditioning Equipment	6
- Generators	6
- Electrical Equipments	6
- Computers	3
- Office Equipments	3
- Computer Software	3
Furniture and Fittings	3
Vehicles	5

Depreciation rates derived from the above are not less than the rates prescribed in Schedule XIV to the Companies Act, 1956.

ii) Leasehold land and premises are amortised uniformly over the period of lease.

iii) License fees is amortized uniformly over the original license period of 20 years / extended period as permitted by DoT, as applicable, from the date of commencement of operations. Since the Company has intention of being in business for a period well beyond 10 years and the telecommunication business cannot be carried on without the Telecom license, the useful life of the asset will exceed the rebuttable presumption of 10 years under AS 26 on “Intangible Assets” (Refer note 22).

iv) Indefeasible Right to Use ('IRU') bandwidth capacities taken by the Parent Company are amortised over a period of fifteen years based on a management estimate of useful life of the assets or period of the agreement whichever is lower.

v) Depreciation on additions and deletions to assets during the year is charged to revenue pro rata to the period of their use.

vi) The Group provides for obsolescence of its slow moving capital inventory by way of depreciation, at the rate of 33.33% p.a. of cost.

(f) Foreign Currency transactions

i) Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.

ii) Foreign currency denominated assets and liabilities are reported as follows:

a) Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date. Non-Monetary items such as fixed assets are carried at their historical rupee values.

b) Gains/losses arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognised in the profit and loss account, except for long term assets/liabilities which pertain to acquisition of fixed assets which are adjusted in the cost of fixed assets (Refer note 25).

iii) In case of forward exchange covers entered into by the Parent Company, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract.

iv) Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India (ICAI), the Parent Company in accordance with the principle of prudence as enunciated in Accounting Standard 1 on 'Disclosure of Accounting Policies' provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any gains arising on such mark to market are not recognized as income (Refer note 16 (ii)).

(g) Employee benefits

Retirement benefit costs are expensed to revenue as incurred.

Contributions to the Provident and Superannuation Funds are made in accordance with the rules of the Funds.

The Parent Company participates in a group gratuity cum life assurance scheme administered by the Life Insurance Corporation (LIC). Provision for the year in respect of gratuity is made on the basis of actuarial valuation as at the end of the year.

Leave encashment and gratuity are provided for on the basis of actuarial valuation as at the end of the year.

(h) Revenue recognition

Revenue from telecommunication services is recognised as the service is performed on the basis of actual usage of the Parent Company's network in accordance with contractual obligations and is recorded net of service tax. The amount charged to subscribers for specialised features which entitle them to access the network of the Parent Company and where all other services and products are paid for separately, are recognised as and when such features are activated.

Revenue is recognised when it is earned and no significant uncertainty exists as to its ultimate realisation or collection.

(i) Government Grants

Subsidies granted by Government for providing telecom services in rural areas are recognized as income in accordance with the relevant terms and conditions of the scheme / agreement with DoT.

(j) Borrowing costs

Borrowing costs attributable to the acquisition of a qualifying asset, as defined in AS 16 on “Borrowing Costs”, are capitalised as part of the cost of acquisition. Other borrowing costs are expensed as incurred.

(k) Earnings per share

The Group reports basic and diluted earnings per share in accordance with AS 20 on “Earnings Per Share”. Basic earning per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(l) Operating Leases

Assets taken on lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses as incurred in accordance with the respective lease agreements.

(m) Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in AS 3 on “Cash Flow Statements” and presents Cash flows by operating, investing and financing activities of the group.

n) Finance and Treasury charges

Net finance and treasury charges are disclosed in the financial statements. Interest and other income earned from treasury operations are reduced from the costs of treasury operations.

(o) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of Inventories comprises all cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

(p) Fringe Benefits Tax

Fringe Benefits Tax (FBT) is recognized as per the provisions of the Income-tax Act, 1961 and the Guidance Note on Accounting for Fringe Benefits Tax issued by the ICAI.

(q) Impairment of assets

An asset is considered as impaired in accordance with AS 28 on “Impairment of Assets” when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

(r) Investments

Current investments are carried at lower of cost and fair value. Long term investments are carried at cost. Provision is made to recognise a decline other than temporary in the carrying amount of long term investments.

(s) Contingent Liabilities

Contingent Liabilities as defined in AS 29 on “Provision, Contingent Liabilities and Contingent Assets” are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

			As at March 31,2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
3.		Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**108.75**	203.11
4.	a)	Bank Guarantees	**271.88**	249.45
	b)	Letters of Credit	**-**	22.43
	c)	Counter guarantees given by the Company on behalf of Group Company	**39.00**	200.00
	d)	Guarantees given by a group company on behalf of the Parent Company	-	80.00
5.		**Contingent liabilities :**		
(i)		Claims against the Parent Company not acknowledged as debt		
		Telecom Regulatory Matters * (Refer notes below)	**223.69**	273.56
		Others	**146.50**	106.19

* Amounts are net of provision for contingencies made aggregating to Rs. 185.60 Crores (previous year Nil) (Also refer note 27)

Notes:

Contingent liabilities in respect of Telecom Regulatory Matters include:

a) Bharat Sanchar Nigam Limited (BSNL) issued demand notices to pay Access Deficit Charge (ADC) aggregating to Rs.161.27 Crores, including interest, for the period November 14, 2004 upto February 28, 2006, the date after which ADC is payable on Net Adjusted Gross Revenue Basis. The demands stated that 'fixed wireless' services provided by the Parent Company under the brand name “WALKY” had mobility features and should be treated as mobile services for the purpose of Interconnect Usage Charges Regulations and ADC was payable on such calls. The Parent Company filed an appeal to the Hon'ble Telecom Dispute and Settlement Appellate Tribunal (TDSAT) in this regard, wherein the TDSAT negated the Parent Company's appeal. The Parent Company further filed an appeal before the Hon'ble Supreme Court (SC) who vide order dated April 30, 2008 confirmed that ADC was payable and since there were claims and counter-claims between the Parent Company and BSNL, the SC directed that quantification of amounts payable to each other be made by TDSAT. The Parent Company had filed a review petition in SC which was rejected.

   The Parent Company filed a petition in TDSAT to determine / reconcile amounts payable to each other and Hon'ble Telecom Dispute and Settlement Appellate Tribunal (TDSAT) vide its order dated August 12, 2008 held that BSNL and the Parent Company should exchange relevant information and reconcile the differences. However, on April 15, 2010, TDSAT confirmed BSNL demands for period up to August 25, 2005 and has given BSNL liberty to lodge its claim for a further period up to February 28, 2006. The Parent Company filed an appeal before SC against the aforesaid TDSAT order dated April 15, 2010. The SC vide its order dated July 23, 2010 admitted the appeal but no stay has been granted. The SC had asked for details / break up of demands which have been filed. The Parent Company has also filed stay application in the SC.

   Out of the aforesaid Rs.161.27 Crores, the Parent Company, has, in earlier years, already provided for amounts aggregating to Rs.28.14 Crores pertaining to ADC for the period from August 26, 2005 upto February 28, 2006. The balance amounts aggregating to Rs.133.13 Crores have been disclosed as Contingent Liability under 'Telecom Regulatory Matters' as the Company is of the view that these demands include amounts relating to 'wireline' services and ADC for the period before August 26, 2005; the actual date after which, as per the directions of the Department of Telecom, services provided under the brand name “WALKY” are to be considered as Wireless in Local Loop (Mobile) for the purposes of ADC.

   The Parent Company during the earlier year had made on account payment to BSNL of Rs.75 Crores in relation to the above.

b) The Parent Company had received a demand letter dated March 17, 2008 from Department of Telecommunications (DoT) for Rs.8.38 Crore, being a demand for spectrum charges for the period from April 1, 2005 to February 29, 2008.

This demand was subsequently revised to Rs.184.69 Crores by DoT, vide its demand letters dated July 3, 2008, for the period from October 1, 1998 to June 30, 2008 which was further increased to Rs. 266.00 Crores vide letter dated February 28, 2009. The amount was again revised to Rs.259.70 Crores vide letter dated November 25, 2009 for the extended period till November 30, 2009.The Parent Company had represented to the Wireless Planning Commission (WPC), various items of differences mentioned in the demand orders, vide letter dated September 24, 2008. Though the Parent Company has now received a revised demand of Rs. 75.47 Crores from DoT on April 26, 2010 the reconciliation process with WPC is in progress. Hon'ble TDSAT vide its order dated August 25, 2010 has held that the Parent Company should be given credit for all payments made on producing proof and no penalty should be levied and only simple interest should be charged. The Parent Company is hopeful of success in the matter.

c) The definition of Adjusted Gross Revenue (AGR) does not specifically provide for exemption for proceeds of sale of shares/securities and deduction on account of bad debts in computation of Licence Fees (LF) payable to the Government. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal (TDSAT) had vide its judgment dated August 30, 2007, held that income from sale of securities is not related to licensed activity and hence should not attract LF and that bad debts written off, waivers and discounts are actual monies lost by service providers and hence should be deducted from AGR. The DoT has filed an appeal in Supreme Court (SC) against the aforesaid TDSAT ruling. Accordingly, the Parent Company has considered Rs.154.36 Crores, being the LF on profit on sale of investment and bad debts written off during the current period, as contingent liability, pending disposal of the aforesaid appeal.

		As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
i)	Disputed Income Tax demands in Appeals before relevant authorities	**0.08**	0.08
ii)	Show cause /demand notices received from Service Tax Authorities	**66.96**	66.68
iii)	Sales Tax	**0.21**	0.21

iv) The Parent Company has imported certain capital equipment under "Export Promotion of Capital Goods Scheme" of the Central Government at a concessional rate of Customs Duty. The Parent Company has undertaken export obligation to the extent of USD 100.8 millions (Rs. 404.41 Crores) to be fulfilled during a period of 8 years commencing from the January 29, 2003, failing which the Parent Company will be liable to pay the differential customs duty, together with interest and penalties, if imposed. Up-till the end of the year, the Parent Company has fulfilled the export obligation to the extent of Rs.52.79 Crores (previous year Rs.52.79 Crores). The Parent Company has also requested the authorities for granting extension of time for fulfilling the obligations in respect of certain licenses for which the Company expects to receive the same in due course.

v) The Parent Company in 2002 had filed a petition before Hon'ble TDSAT claiming refund of Rs.50 Crores recovered by Department of Telecommunications (DoT) in 1999 alleging failure to sign basic services license agreement for Karnataka circle after accepting Letter of Intent (LoI). DoT during the proceedings before TDSAT claimed from the Parent Company Rs.303 Crores towards loss of (opportunity to earn) license fee and Rs.351 Crores as interest till October 31, 2002. TDSAT allowed refund of Rs.50 Crores to the Parent Company with interest of 17% p.a. and dismissed the counter-claim based on a law point (i.e.TDSAT had no jurisdiction) and facts. DoT appealed to the Hon'ble Supreme Court which without commenting on the merits of the counter-claim confirmed that TDSAT had jurisdiction and remanded the matter to TDSAT for fresh adjudication. DoT has filed with TDSAT a counter-claim of Rs.2,015 Crores which includes Rs.303 Crores towards loss of (opportunity to earn) license fee and interest of Rs.1,712 Crores calculated up to March 31, 2008. The matter has been argued on merits and TDSAT has reserved its judgment on January 25, 2011. The Parent Company is hopeful of success in the matter.

Counter guarantees have been given by the Parent Company in the ordinary course of business and no liability is expected to accrue in this respect.

As regards disputes and claims referred to above against the Parent Company, appropriate competent professional advice is available to the Parent Company based on which, favorable outcomes are anticipated and no liability is expected to accrue to the Parent Company.

6. **Payments to Auditors (excluding service tax):**

		2010-11 Rs. in Crores	2009-10 Rs. in Crores
i)	Audit fees	**0.22**	0.26
ii)	Tax Audit fees	**0.05**	0.06
iii)	Other matters (For Quarterly Audits, certification work etc.)	**0.31**	0.31
iv)	Out of pocket expenses [Current year Rs. 74,905/- (Previous year Rs. 63,276/-)]		

7. In November 1999, the Parent Company established the Employee Stock Option Plan (ESOP) under which Equity Shares are reserved for issuance to eligible employees of the Parent Company. In terms of the plan, 1.20 Crores warrants were issued to Hughes Tele.com (India) Limited Employees Stock Option Trust, to be held by it on behalf of the Parent Company for awarding eligible employees as and when advised by the Compensation Committee constituted for the purpose. Each allotted warrant carries with it a right to purchase one Equity Share of the Parent Company at a price of Rs.10/- per share. Other than 2,40,000 fully vested warrants allotted in an earlier year, all allotted warrants vest at the rate of 25% on each successive anniversary of the grant date, until fully vested. The period during which the vested warrants may be exercised expires after 10 years from the date of the vesting.

The position of the allotted warrants is as follows:

	As at March 31, 2011 (Nos.)	As at March 31, 2010 (Nos.)
Opening Balance	-	7,950
Exercised	-	6,350
Lapsed	-	1,600
Closing Balance	-	-

Since the market value of the Company's shares on the grant dates did not exceed the exercise price of Rs.10/-, no compensation expense has been recorded.

8. Segment Reporting

a) Primary Segments :

The group is engaged in providing Telecommunication Services and providing Passive Infrastructure Support Services to Telecommunication Service Provider. Accordingly, in accordance with Accounting Standard 17 on "Segment reporting", the primary reporting segments of the Group, therefore, are the business segment, viz.

i) Telecommunication Services

ii) Passive Infrastructure Services

b) Secondary Segment :

The group operated only in the Indian market representing a singular economic environment with similar risks and rewards and hence there are no reportable geographical segments.

Primary Business Information (Business Segments) for period ended March 31, 2011

Particulars	Business Segments		Elimination	Total
	Telecommunication Services	Passive Infra-structure Services		
Revenue				
External Revenue *	3,181.32	9.74	-	3,191.06
Inter-segment Revenue	-	10.92	10.92	-
Total Revenue	**3,181.32**	**20.66**	**10.92**	**3,191.06**
Segment Result	**403.89**	**5.43**	**-**	**409.32**
Unallocable Income	-	-	-	22.63
Interest & Financing Charges (Net)	-	-	-	351.71
Loss before Tax	**-**	**-**	**-**	**80.24**
Provision for Tax (Net)	-	-	-	0.01
Loss after Tax	**-**	**-**	**-**	**80.23**
Other Information				
Segment Assets	5,830.42	-	-	5,830.42
Unallocated Corporate Assets	-	-	-	16.36
Total Assets	**5,830.42**	**-**	**-**	**5,846.78**
Segment Liabilities	1,810.61	-	-	1,810.61
Unallocated Corporate Liabilities	-	-	-	4,652.60
Total Liabilities	**1,810.61**	**-**	**-**	**6,463.21**
Capital Expenditure	1,858.09	50.41	0.33	1,908.17
Depreciation and Amortisation	750.70	6.94	-	757.64

* also includes other operating income

Primary Business Information (Business Segments) for period ended March 31, 2010

Particulars	Business Segments		Elimination	Total
	Telecommunication Services	Passive Infra-structure Services		
Revenue				
External Revenue *	2,249.10	28.68	-	2,277.78
Inter-segment Revenue	-	70.64	70.64	-
Total Revenue	**2,249.10**	**99.32**	**70.64**	**2,277.78**
Segment Result	**(9.05)**	**9.90**	**-**	**0.85**
Unallocable Income	-	-	-	31.67
Interest & Financing Charges (Net)	-	-	-	350.51
Loss before Tax	**-**	**-**	**-**	**(317.99)**
Provision for Tax (Net)	-	-	-	0.01
Loss after Tax	**-**	**-**	**-**	**(318.00)**
Other Information				
Segment Assets	4,404.59	538.17	144.56	4,798.20
Unallocated Corporate Assets	-	-	-	10.69
Total Assets	**4,404.59**	**538.17**	**144.56**	**4,808.89**
Segment Liabilities	1,472.18	108.16	14.75	1,565.59
Unallocated Corporate Liabilities	-	-	-	3,939.96
Total Liabilities	**1,472.18**	**108.16**	**14.75**	**5,505.55**
Capital Expenditure	728.80	170.52	9.74	889.58
Depreciation and Amortisation	520.89	43.09	-	563.98

* also includes other operating income

9. (a) Operating lease rent expenses for the year in respect of lease agreements entered from April 1, 2001.

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Residential Flats for accommodation of employee	**0.06**	0.95
Cell Sites (Infrastructure Sharing) and others	**233.18**	119.97

(b) Future Minimum Lease Payments under Non-Cancellable Operating Lease :

	As at Mar 31, 2011 Rs. in Crores	As at Mar 31, 2010 Rs. in Crores
Due not later than one year	143.10	130.42
Due later than one year and Not later than five years	453.70	454.48
Due later than five years	804.79	781.42

The agreements are executed for a period ranging from 6 months to 15 years with a renewable clause and in many cases also provide for termination at will by either party giving a prior notice period ranging between 30 to 90 days.

10. The disclosure as required under AS 15 regarding the Company's gratuity plan is as follows:

Particulars	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
Projected benefit obligation, beginning of the year	**5.37**	3.99
Service cost	**1.56**	1.22
Interest cost	**0.43**	0.40
Actuarial Gain on obligation	**(0.04)**	(0.11)
Benefits paid	**(0.48)**	(0.13)
Projected benefit obligation, end of the year	**6.84**	5.37

Projected benefit obligation, end of the year	**6.84**	5.37
Fair value of plan assets at the end of the year	**5.27**	3.73
Net liability recognized in the Balance Sheet	**1.57**	1.64

Fair Value of Plan Assets at the beginning of the year	**3.73**	2.77
Expected Return on Plan Assets	**0.29**	0.31
Contributions	**1.23**	1.08
Benefit Paid	**(0.46)**	(0.13)
Actuarial Gain/(Loss) on Plan Assets	**0.48**	(0.30)
Fair Value of Plan Assets at the end of the year	**5.27**	3.73
Total Actuarial Gain / (Loss) Recognized	**0.52**	(0.19)

Actuarial Assumptions:

Particulars	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
Discount rate	**8.25%**	8.00%
Rate of increase in compensation levels of covered employees	**6.50%**	6.50%
Rate of Return on Plan Assets	**8.00%**	8.00%

Category of Assets	As at March 31, 2011 Rs. in Crores	As at March 31, 2010 Rs. in Crores
Insurer Managed Funds	**5.27**	3.73
Total	**5.27**	3.73

Experience Adjustment	April-Mar'11 Rs. in Crores	April-Mar'10 Rs. in Crores
On Plan Liability Loss	**0.21**	0.08
On Plan Asset Gain/(Loss)	**0.48**	(0.31)

11. No provision for current income tax has been made in the accounts, since the Group estimates that there will be no taxable profits for the period. Deferred Tax charges / credits have not been recognized in view of the tax holiday enjoyed by the Parent Company and on considerations of prudence as set out in AS 22 on "Accounting for Taxes on Income".

12. Value of imports on CIF basis in respect of :

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Capital Goods	**193.42**	577.51

13. Expenditure in Foreign Currency (Payment basis) on account of :

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Interest	**9.23**	14.42
Other	**2.84**	3.19
	11.27	17.61

14. Value of Capital Inventory consumed during the year :

	2010-11 Rs. in Crores	%	2009-10 Rs. in Crores	%
Indigenous	**2.14**	**100**	8.63	100
Imported	**-**	**-**	-	-
	2.14	**100**	8.63	100

15) Related Party disclosures (in terms of Accounting Standard - 18)

i) Details of transactions with Related Parties

Rs. in Crores

For the year ended March 31, 2011	Ultimate Holding Company	Fellow Subsidiaries												
	Tata Sons Ltd.	21st Century Infra Tele Ltd. (From 21st May 2010)	Tata Teleservices Ltd.	Viom Networks Ltd. (Formely known as Wireless TT Info Services Ltd.)	Drive India Enterprise Solutions Ltd.	Tata Internet Services Ltd.	Tata Business Support Services Ltd.	Tata Consultancy Services Ltd.	Tata Housing Development Company Ltd.	Tata Realty & Infrastructure Ltd.	Tata AIG Life Insurance Company Ltd.	Tata AIG General Insurance Company Ltd.	Tata Sky Ltd.	CMC Ltd.
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
☆**1) Expenses :**														
- Salary	-	-	11.51	-	-	-	-	-	-	-	-	-	-	-
- Customer Service and Call Centre Cost	-	-	0.03	-	-	-	4.03	66.66	-	-	-	-	-	-
- Advertisement and Business promotion expenses	-	-	57.15	-	11.07	-	-	-	-	-	-	-	0.01	-
- Network operation cost	-	80.14	15.59	0.10	-	-	-	-	-	-	-	-	-	-
- Administrative and Other Expenses	0.09	-	5.68	-	6.48	-	-	0.77	-	-	-	✧	-	-
- Rent	-	-	-	-	1.63	1.55	-	-	0.06	-	-	-	-	-
- Interconnection and Other access costs	-	-	116.29	-	-	-	-	-	-	-	-	-	-	-
- Infrastructure Sharing Cost	-	70.88	0.03	-	-	-	-	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
☆**2) Income :**														
- Towards Recharge Coupon Vouchers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rent	-	-	2.29	-	-	-	-	-	-	-	-	-	-	-
- Infrastructure Sharing Income	-	-	-	5.71	-	-	-	-	-	-	-	-	-	-
- Rendering Telecom Services	0.47	✧	12.78	0.07	0.04	-	0.43	11.89	0.32	0.34	1.34	0.41	0.74	0.72
- Sale of Network Interface Units	-	-	-	-	2.45	-	-	-	-	-	-	-	-	-
☆**3) Reimbursement of Expenses**	-	0.94	5.92	2.29	-	-	-	-	-	-	-	-	-	-
4) Purchase of Fixed Asset	-	-	46.40	-	0.68	-	-	0.98	-	-	-	-	-	-
5) Security Deposits taken	-	-	-	3.17	-	-	-	-	-	-	-	-	-	-
6) Repayment of inter corporate deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7) Sale of Subsidiary Company	-	-	-	956.33	-	-	-	-	-	-	-	-	-	-
8) Outstanding as at March 31, 2011 :														
Sundry Debtors	0.03	-	2.73	0.01	0.01	-	0.09	1.81	0.05	0.05	0.26	0.06	0.07	0.10
Sundry Creditors	✧ -	1.30	22.49	0.09	-	✧	-	0.60	-	-	-	-	-	-
Loans and Advances	-	-	-	-	2.44	-	-	-	-	-	✧	0.01	-	-
Security Deposits Taken	-	-	1.73	-	-	-	-	-	-	-	-	-	-	-
Security Deposits Given	-	14.00	-	-	-	-	-	-	0.01	-	-	-	-	-
Inter-corporate Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-

✧ Since the figures are less than the denominations disclosed, the figures do not appear

☆ Figures above are inclusive of Service Tax where ever applicable

✸ Others Include

Ewart Investments Ltd.

Tata Trustee Company Ltd.

Tata Advanced Systems Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)

i) Details of transactions with Related Parties

Rs. in Crores

For the year ended March 31, 2011	Fellow Subsidiaries												Key Management Personnel	
	Infiniti Retail Ltd.	e-Nxt Financials Ltd.	Tata Consulting Engineers Ltd.	Tata Petrodyne Ltd.	Computational Research Laboratories Ltd.	Tata Asset Management Ltd.	Tcs E-Serve Ltd.	TC Travel And Services Ltd.	Tata Capital Ltd.	Tata Securities Ltd.	Tata Investment Corporation Ltd.	Others ✸	Managing Director	Total
	15	16	17	18	19	20	21	22	23	24	25	26	27	
☆1) Expenses :														
- Salary	-	-	-	-	-	-	-	-	-	-	-	-	1.21	12.71
- Customer Service and Call Centre Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	70.73
- Advertisement and Business promotion expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	68.22
- Network operation cost	-	-	-	-	-	-	-	-	-	-	-	-	-	95.83
- Administrative and Other Expenses	0.32	-	-	-	-	-	-	0.38	-	-	-	-	-	13.72
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	3.24
- Interconnection and Other access costs	-	-	-	-	-	-	-	-	-	-	-	-	-	116.29
- Infrastructure Sharing Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	70.91
- Interest	-	-	-	-	-	-	-	-	0.56	-	-	-	-	0.56
☆2) Income :														
- Towards Recharge Coupon Vouchers	0.01	-	-	-	-	-	-	-	-	-	-	-	-	0.01
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	2.29
- Infrastructure Sharing Income	-	-	-	-	-	-	-	-	-	-	-	-	-	5.71
- Rendering Telecom Services	0.35	1.34	0.17	0.07	0.07	0.54	0.04		0.47	0.05	0.02	✦ -	0.01	32.68
- Sale of Network Interface Units	-	-				-		-	-	-	-	-	-	2.45
☆3) Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	9.15
4) Purchase of Fixed Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	48.07
5) Security Deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	3.17
6) Repayment of inter corporate deposit	-	-	-	-	-	-	-	-	20.00	-	-	-	-	20.00
7) Sale of Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	-	-	956.33
8) Outstanding as at March 31, 2011 :														
Sundry Debtors	0.03	0.30	0.03	✦ -	0.01	0.03	0.02	-	0.15	0.02	✦ -	-	✦ -	5.86
Sundry Creditors	0.01	-	-	-	-	-	-	-	0.04	-	-	-	-	24.53
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	2.45
Security Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	1.73
Security Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	14.01
Inter-corporate Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-

✦ Since the figures are less than the denominations disclosed, the figures do not appear

☆ Figures above are inclusive of Service Tax where ever applicable

✸ Others Include

Ewart Investments Ltd.

Tata Trustee Company Ltd.

Tata Advanced Systems Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)

i) Details of transactions with Related Parties

(Rs. in Crores)

For year ended March 31, 2010	Ultimate Holding Company	Fellow Subsidiaries										
	Tata Sons Ltd.	Tata Teleservices Ltd.	Tata Internet Services Ltd.	Tata Business Support Services Ltd.	Tata Consultancy Services Ltd.	Tata Housing Development Company Ltd.	Tata Realty & Infrastructure Ltd.	Tata AIG Life Insurance Company Ltd.	Tata AIG General Insurance Company Ltd.	Tata Sky Ltd.	CMC Ltd.	Tata Asset Management Ltd.
	1	2	3	4	5	6	7	8	9	10	11	12
☆**1) Expenses :**												
- Salary	-	3.30	-	-	-	-	-	-	-	-	-	-
- Customer Service and Call Centre Cost	-	0.15	-	3.60	54.59	-	-	-	-	-	-	-
- Advertisement and Business promotion expenses	-	21.65	-	-	-	-	-	-	-	-	-	-
- Network operation cost	-	9.73	-	-	-	✦ -	-	-	-	-	-	-
- Administrative and Other Expenses	0.03	3.33	-	-	-	-	-	-	✦ -	-	-	-
- Rent	✦ -	0.01	1.57	-	-	0.12	-	-	-	-	-	-
- Interconnection and Other access costs	-	57.55	-	-	-	-	-	-	-	-	-	-
- Infrastructure Sharing Cost	-	0.57	-	-	-	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-	-	-	-	-	-
☆**2) Income :**												
- Towards Recharge Coupon Vouchers	-	-	-	-	-	-	-	-	-	-	-	-
- Rent	-	2.29	-	-	-	-	-	-	-	-	-	-
- Rendering Telecom Services	0.50	4.93	0.03	0.66	16.38	0.12	0.33	3.30	0.96	1.15	0.68	0.55
- Infrastructure Sharing Revenue	-	-	-	-	-	-	-	-	-	-	-	-
- Sale of Refurbished Network Interface Units	-	0.71	-	-	-	-	-	-	-	-	-	-
☆**3) Reimbursement of Expenses**	-	5.09	-	-	-	-	-	-	-	-	-	-
4) Sale of Fixed Asset	-	36.37	-	-	-	-	-	-	-	-	-	-
5) Purchase of Fixed Asset	-	47.02	-	-	3.51	-	-	-	-	-	-	-
6) Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-
7) Security Deposits taken	-	-	-	-	-	-	-	-	-	-	-	-
8) Repayment of inter corporate deposit	-	-	-	-	-	-	-	-	-	-	-	-
9) Outstanding as at March 31, 2010 :												
Sundry Debtors	0.06	0.93	0.02	0.10	1.67	0.03	0.01	0.44	0.56	0.14	0.06	0.02
Sundry Creditors	-	6.30	-	-	0.03	0.01	-	-	-	-	-	-
Loans and Advances	✦ -	-	✦ -	-	-	-	0.01	✦ -	0.01	-	-	-
Security Deposits Taken	-	1.73	-	-	-	-	-	-	-	-	-	-
Security Deposits Given	-	-	-	-	-	0.01	-	-	-	-	-	-
Inter-corporate Deposits	-	-	-	-	-	-	-	-	-	-	-	-

✦ Since the figures are less than the denominations disclosed, the figures do not appear

☆ Figures above are inclusive of Service Tax where ever applicable

✹ Others Include
Ewart Investments Ltd.
Tata Trustee Company Ltd. (formerly Tata Trustee Company Private Ltd.)
Tata Advanced Systems Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)

i) Details of transactions with Related Parties

(Rs. in Crores)

For year ended March 31, 2010	Fellow Subsidiaries												Key Management Personnel	
	Tata Securities Ltd.	Infiniti Retail Ltd.	e-Nxt Financials Ltd.	Tata Consulting Engineers Ltd. (formerly TCE Consulting Engineers Ltd.)	Tata Investment Corporation Ltd.	Tata Petrodyne Ltd.	Computational Research Laboratories Ltd.	TCS E-Serve Ltd.	TC Travel And Services Ltd.	Tata Capital Ltd.	Wireless-TT Info Services Ltd.	Others ✸	Managing Director	Total
	13	14	15	16	17	18	19	20	21	22	23	24	25	
☆1) **Expenses :**														
- Salary	-	-	-	-	-	-	-	-	-	-	-	-	1.63	4.93
- Customer Service and Call Centre Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	58.34
- Advertisement and Business promotion expenses	-	0.26	-	-	-	-	-	-	-	-	-	-	-	21.91
- Network operation cost	-	-	-	-	-	-	-	-	-	-	-	-	-	9.73
- Administrative and Other Expenses	-	-	-	-	-	-	-	-	0.49	-	-	-	-	3.85
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	1.70
- Interconnection and Other access costs	-	-	-	-	-	-	-	-	-	-	-	-	-	57.55
- Infrastructure Sharing Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	0.57
- Interest	-	-	-	-	-	-	-	-	-	1.08	-	-	-	1.08
☆2) **Income :**														
- Towards Recharge Coupon Vouchers	-	0.06	-	-	-	-	-	-	-	-	-	-	-	0.06
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	2.29
- Rendering Telecom Services	0.24	0.65	1.34	0.39	0.01	0.06	0.03	0.12	-	0.94	✦ -	0.01	0.02	33.40
- Infrastructure Sharing Revenue	-	-	-	-	-	-	-	-	-	-	9.79	-	-	9.79
- Sale of Refurbished Network Interface Units	-	-	-	-	-	-	-	-	-	-	-	-	-	0.71
☆3) **Reimbursement of Expenses**	-	-	-	-	-	-	-	-	-	-	4.21	-	-	9.30
4) Sale of Fixed Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	36.37
5) Purchase of Fixed Asset	-	✦ -	-	-	-	-	-	-	-	-	-	-	-	50.53
6) Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	40.00	-	-	-	40.00
7) Security Deposits taken	-	-	-	-	-	-	-	-	-	-	2.31	-	-	2.31
8) Repayment of inter corporate deposit	-	-	-	-	-	-	-	-	-	20.00	-	-	-	20.00
9) Outstanding as at March 31, 2010 :														
Sundry Debtors	0.05	0.06	0.31	0.03	✦ -	0.01	✦ -	0.03	-	0.11	11.11	✦ -	-	15.75
Sundry Creditors	-	-	-	0.01	-	-	-	-	-	0.03	-	-	-	6.38
Loans and Advances	-	0.15	-	-	-	-	-	-	-	-	✦ -	-	-	0.17
Security Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	1.73
Security Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Inter-corporate Deposits	-	-	-	-	-	-	-	-	-	20.00	-	-	-	20.00

✦ Since the figures are less than the denominations disclosed, the figures do not appear

☆ Figures above are inclusive of Service Tax where ever applicable

✸ Others Include

Ewart Investments Ltd.

Tata Trustee Company Ltd. (formerly Tata Trustee Company Private Ltd.)

Tata Advanced Systems Ltd.

15) Related Party disclosures (in terms of Accounting Standard - 18)

ii) Details of all Related Parties and their relationships

A	**Holding Company**
	Tata Sons Ltd.
B	**List of Fellow Subsidiaries**
1	Tata Teleservices Ltd.
2	Tata Internet Services Ltd.
3	Tata Business Support Services Ltd.
4	Tata Consultancy Services Ltd.
5	Tata Housing Development Company Ltd.
6	Tata Realty & Infrastructure Ltd.
7	Tata AIG Life Insurance Company Ltd.
8	Tata AIG General Insurance Company Ltd.
9	Tata Sky Ltd.
10	CMC Ltd.
11	Tata Asset Management Ltd.
12	Tata Securities Ltd.
13	Infiniti Retail Ltd.
14	e-Nxt Financials Ltd.
15	Tata Consulting Engineers Ltd.
16	Tata Petrodyne Ltd.
17	Computational Research Laboratories Ltd.
18	Tcs E-Serve Ltd.
19	TC Travel And Services Ltd.
20	Tata Capital Ltd.
21	Tata Investment Corporation Ltd.
22	Ewart Investments Ltd.
23	Tata Trustee Company Private Ltd.
24	Tata Advanced Systems Ltd.
25	Viom Networks Limited (Formerly known as Wireless TT Info Services Ltd.)
26	Drive India Enterprise Solutions Ltd.
27	21st Century Infra Tele Ltd. (w.e.f. 21.05.2010)
C	**Key Management Personnel (Managing Director)**
1	Dr. Mukund Govind Rajan (till 20.05.2010)
2	Mr. Anil Kumar Sardana (till 31.01.2011)
3	Mr. N. Srinath (w.e.f. 01.02.2011)

16. Derivatives

i) Outstanding derivatives :

	As at Mar 31, 2011 USD in Millions	**As at Mar 31, 2011 Rs. in Crores**	As at Mar 31, 2010 USD in Millions	As at Mar 31, 2010 Rs. in Crores
a) Forward Contract	**65.35**	**291.43**	86.03	386.25
b) Currency options for hedging of foreign currency exposure	**70.00**	**313.79**	58.00	261.61
Total	**135.35**	**605.22**	144.03	647.86
c) Interest Rate Swaps	**0.99**	**4.41**	66.83	300.06

ii) The mark to market loss of outstanding currency options and interest rate swaps as at the year-end aggregate to Rs. 1.92 crores (Previous year Rs. 8.27 Crores).

iii) The foreign currency exposure that are not hedged by derivative instruments:

	As at Mar 31, 2011 USD in Millions	**As at Mar 31, 2011 Rs. in Crores**	As at Mar 31, 2010 USD in Millions	As at Mar 31, 2010 Rs. in Crores
Vendor payables	**107.91**	**481.22**	41.08	184.45
	107.91	**481.22**	41.08	184.45

17. Earnings Per Share Data

	As at March 31, 2011	As at March 31,2010
i) Profit / (Loss) after Tax (Rs. in Crores)	**80.23**	(318.00)
ii) Weighted average number of shares outstanding.	**1,897,196,854**	1,897,196,089
iii) Nominal Value of Equity Shares (Rs)	**10**	10
iv) Basic and Diluted Earnings per Share (Rs.)	**0.42**	(1.68)

18. Quantitative details of principal items of goods traded (Starter Kits):

	Quantity (Nos)	**Value Rs. in Crores**
a) Opening Stock	**2843689**	**6.40**
	(674148)	(2.01)
b) Purchases	**9461883**	**19.58**
	(13459703)	(27.37)
c) Sales	**10144708**	**34.31**
	(11290162)	(33.96)
d) Closing Stock	**2160864**	**3.78**
	(2843689)	(6.40)

Note: Figures in ( ) pertain to those of the previous year.

19. Following units have been purchased and redeemed by the Parent Company during the year ended March 31, 2011:

Particulars	No. of Units	Face Value	Cost (Rs. in Crores)
ICICI Prudential Ultra Short Term Plan Super Premium Growth	244,491,263.27	10	254.53
ICICI Prudential Flexible Income Plan Premium - Growth	20,819,938.33	100	360.59
ICICI Prudential Liquid Plan Super Institutional Growth	170,859,735.29	100	2,348.88
ICICI Floating Rate Plan D	3,582,389.03	100	50.02
HDFC Liquid Fund - Premium Plus Plan - Growth	217,856,941.41	10	407.20
HDFC Liquid Fund - Premium Plan - Growth	71,758,371.48	10	135.00
HDFC Cash Mgt Fund- Treasury Advantage Plan- Wholesale Growth	80,281,967.48	10	164.07
BSL Saving Fund Institutional Growth	76,451,955.02	10	135.80
BSL Cash Plus Institutional Premium Growth	263,379,714.03	10	396.60
BSL Ultra Short Term Fund Institutional Growth	76,819,492.27	10	85.00
BSL Cash Manager - Institutional Plan Growth	32,992,597.06	10	52.07
Tata Floater Fund	41,590,186.91	10	58.53
Tata Liquid Super High Inv. Fund - Appreciation	1,741,042.38	1,000	305.20
JP Morgan India Liquid Fund - Super Institutional Growth	80,066,871.88	10	98.75
LICMF Liquid Fund - Growth Plan	29,307,418.23	10	50.76
JM High Liquidity Fund - Super Inst Plan - Growth	28,512,232.13	10	42.25
DSP Black Rock Liquidity Fund - Institutional Plan - Growth	843,226.58	1,000	116.30
SBI- Magnum Insta Cash Fund - Cash Option	11,675,150.61	10	25.00
SBI- Premier Liquid Fund - Super Inst. Growth	5,875,555.73	10	9.00
Reliance Liquid Fund Cash Plan - Growth	46,813,336.84	10	73.36
IDBI Liquid Fund - Growth	23,860.13	1,000	2.50
UTI Money Market Mutual Fund - Institutional Growth Plan	110,055.58	1,000	12.00

20. Managerial Remuneration :

i) Managing Director

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Salaries	**1.10**	0.91
Contribution to Provident and other Fund	**0.01**	0.07
Monetary value of perquisites	**0.10**	0.65
Total	**1.21**	1.63

Note:

a) 2010-11 figures include Rs.0.56 Crores paid during the year for 2009-10 on account of bonus / performance pay.

b) 2009-10 figures include Rs.0.50 Crores paid during the year for 2008-09 on account of bonus / performance pay.

c) The above represents the remuneration of erstwhile Managing Directors.

Manager in Subsidiary Company

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Salaries	**0.04**	0.39
Contribution to Provident and other Fund	**0.00**	0.02
Total	**0.04**	0.41

ii) Non-executive Directors

	2010-11 Rs. in Crores	2009-10 Rs. in Crores
Directors' Sitting Fees	**0.06**	0.08

21. The Parent Company, had identified certain Network Interface Units (NIU's), which had been disconnected and were not in use (including not retrieved) and also had been fully depreciated in the books of account. The management, having regard to the present condition of the said NIUs, their future usability and the fact that these NIUs have been fully depreciated, had decided to write-off the same. Accordingly during the current year the said NIU's aggregating Nil (cost) (Previous year Rs.104.54 Crores) were written off and removed from the block of fixed assets.

22. The Parent Company during the quarter ended June 30, 2010, succeeded in winning the bid for 3G spectrum in Maharashtra circle (including Goa and excluding Mumbai). The bid price paid towards the related license fees aggregating to Rs.1,257.82 Crores have been capitalized under License under Fixed Assets.

In accordance with the accounting policy followed in this regard, the Company has commenced amortization of the aforesaid license fees, on commencement of 3G operations and such fees will be amortised over the remaining life of the license.

The borrowing costs attributable to the aforesaid aggregating Rs. 62.82 Crores (Previous year Rs.18.79 Crores towards GSM operations) have been capitalized during the year in accordance with AS 16 on 'Borrowing Costs'.

23. Information regarding the total outstanding dues of Micro Enterprises and Small Enterprises in Schedule 10 is given to the extent the same is available with the Company.

24. The Parent Company in the previous year had entered in to a share purchase agreement with Viom Networks Limited (formerly Wireless-TT Info Services Limited) for selling its stake in its wholly owned subsidiary viz. 21st Century Infra Tele Limited. The Company has, accordingly, accounted for profit (net of related expenses) on the aforesaid sale aggregating to Rs.865.38 Crores during the year, on completion of the necessary formalities.

25. The Central Government, vide notification dated March 31, 2009, amended AS 11 on ´The Effect of Changes in Foreign Exchange Rates', whereby, companies have been given an option to account for exchange differences arising on reporting of long-term foreign currency monetary items (assets/liabilities) in so far as they relate to acquisition of a depreciable capital asset, to be added/deducted from the cost of the asset and for others to be accumulated in a separate reserve to be amortized over the balance life of the asset/liability but not beyond March 31, 2011. The aforesaid option is effective with retrospective effect in respect of accounting periods commencing on or after December 7, 2006. Accordingly, the Company opted to exercise this option during the year ending March 31, 2009 and had given the effect of the same in the accounts of the said year.

During the current year, pursuant to the said option, the Parent Company has adjusted exchange loss aggregating to Rs.6.81 Crores (Previous year Rs.34.65 Crores (exchange gain)) against the carrying value of fixed assets.

The amount (after the aforesaid adjustments) of Plant and Machinery as at the year-end aggregates to Rs.2.80 Crores (credit) (Previous Year Rs.7.54 Crores (credit)) which has been adjusted by way of depreciation on the grounds of materiality.

26. During the year, the Company re-estimated the balance useful life of certain items of plant and machinery considering up-gradation of equipment on account of enhancement of technology and the consequent enhanced pace of planned replacement. As a result the depreciation charge for the current year is higher by Rs. 184.81 Crores.

27. The following table sets forth the movement in the provision for contingencies:

(Rs. in Crores)

Sr. No.	Description	As at April 1, 2010	Additions during the period / year	Amount used / reversed	As at March 31, 2011
1	Provision for Contingencies	- (16.74)	185.60 -	- (16.74)	185.60 -

a. Figures pertaining to the previous year have been disclosed in brackets.

b. Provision for contingencies are primarily towards the outstanding claims / litigations against the Parent Company relating to Department of Telecommunication (DoT) and other parties.

28. The accumulated losses of the Parent Company at the close of the year have exceeded its paid-up capital and reserves. This, however, is not uncommon for telecommunication service providers, due to the high operation costs and on account of the industry being inherently capital intensive. However, the Company is consistently making operating cash profits over the past few years.

The subscriber base of the Parent Company has further increased with the launch of services using the GSM technology during the previous year. The Parent Company has also received sanctions from banks for additional long-term funds for future expansion. Further, during the current year the Parent Company succeeded in winning the bid for 3G spectrum in Maharashtra circle (including Goa and excluding Mumbai) and has also commenced 3G services.

Accordingly, based on the aforesaid considerations, the Parent Company is confident of it's ability to continue it's business as a going concern and the accounts have been prepared on that basis.

29. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

Signatures to Schedules '1' to '16'

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjhunwala
(Director)

D. T. Joseph
(Director)

Koichi Takahara
(Director)

S. Ramadorai
(Director)

Anil Kumar Sardana
(Director)

N. S. Ramachandran
(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

		2010-11 Rs. in Crores	2009-10 Rs. in Crores
A	**Cash flows from operating activities**		
	Net Profit / (Loss) before tax	**80.24**	(317.99)
	Adjustments for :		
	Depreciation/Amortisation	**757.64**	563.98
	Profit on Fixed assets sold (Net)	**(29.24)**	(35.41)
	Profit on redemption of units (Current Investment)	**(6.41)**	(0.06)
	Interest Income	**(1.23)**	-
	Profit on Sale of Subsidiary (Refer note 24 of Schedule 16)	**(865.38)**	-
	Provision for contingencies (Refer note 27 of Schedule 16)	**185.60**	-
	Asset awaiting disposal written off	**-**	0.56
	Finance and Treasury charges (Net)	**359.35**	350.58
		400.33	879.65
	Operating profit before working capital changes	**480.57**	561.66
	Increase in Sundry Debtors	**(2.55)**	(39.77)
	Increase in Loans and Advances	**(186.32)**	(22.96)
	Decrease / (Increase) in Inventory	**2.62**	(4.39)
	Decrease / (Increase) in Current liabilities and Provisions	**(48.51)**	95.60
	Cash Generated from operations	**245.81**	590.14
	Taxes paid	**(0.01)**	(0.01)
	Net Cash generated from operating activities	**245.80**	590.13
B	**Cash flow from investing activities**		
	Purchase of Fixed Assets	**(1908.17)**	(889.58)
	Proceeds from sale of Fixed Assets	**498.78**	39.78
	Purchase of Current Investments	**(5,183.41)**	(77.10)
	Sale of Current Investments	**5,189.82**	87.17
	Proceeds from sale of Long term investment	**866.78**	-
	Net Cash used for investing activities	**(536.20)**	(839.73)
C	**Cash flow from financing activities**		
	Proceeds from Issue of Shares	**-**	0.01
	Proceeds from Long term borrowings	**702.91**	1,386.53
	Repayment of Long term borrowings	**(524.46)**	(1,336.23)
	Proceeds from Short term borrowings	**3,314.78**	1,833.00
	Repayment of Short term borrowings	**(2,640.00)**	(1,418.95)
	(Repayment) / Proceeds of Acceptances and Cash Credit (Net)	**(140.59)**	131.34
	Finance and Treasury charges paid	**(371.80)**	(350.58)
	Interest received	**1.23**	-
	Net cash generated from financing activities	**342.07**	245.12
	Net decrease in cash or cash equivalents	**51.67**	(4.48)
	Cash and cash equivalents at beginning of the year	**23.01**	27.49
	Cash and cash equivalents at end of the year	**74.68**	23.01
		51.67	(4.48)

Notes to Cash Flow Statement

1. Components of Cash and Cash Equivalents includes Cash and Bank balances in Current Accounts (Refer Schedule 6 to the Balance Sheet).
2. Purchase of Fixed Assets are inclusive of movements in Capital Work in Progress between the commencement and end of the year.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
Partner

Place: Mumbai
Date : April 26, 2011

For and on behalf of the Board

Kishor A. Chaukar (Chairman)

N. Srinath (Managing Director)

Prof. Ashok Jhunjhunwala (Director)

D. T. Joseph (Director)

Koichi Takahara (Director)

S. Ramadorai (Director)

Anil Kumar Sardana (Director)

N. S. Ramachandran (Director)

S. Venkatesan (Chief Financial Officer)

Madhav J. Joshi (Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

I	**Registration Details**	
	Registration No.	**11-86354**
	State Code	**11**
	Balance Sheet Date	**March 31, 2011**
II	**Capital raised during the year (Rs. in Crores)**	
	(Equity Share Capital & Security Premium Account)	
	Public Issue	-
	Rights Issue	-
	Bonus Issue	-
	Private Placement	-
III	**Position of Mobilisation and Deployment of Funds (Rs. in Crores)**	
	Total Liabilities	**7,132.96**
	Total Assets	**7,132.96**
	Sources of Funds	
	Paid-up Capital	**1,897.20**
	Reserves & Surplus	**583.16**
	Secured Loans	**2,669.78**
	Unsecured Loans	**1,982.82**
	Application of Funds	
	Investments	-
	Net Fixed Assets (including Capital Work-in-Progress)	**4,955.88**
	Net Current Assets	**(919.71)**
	Accumulated Losses	**3,096.79**
IV	**Performance of the Company (Rs. in Crores)**	
	Turnover (including other income)	**3,150.87**
	Expenditure	**1,818.50**
	Loss Before Tax	**49.91**
	Loss After Tax	**49.90**
	Earning Per Share (Rs.)	**0.26**
	Dividend Rate	-

V **Generic Names of three Principal Products/Services of the Company**

Item Code No. (ITC Code)	Not Applicable
Product Description	Telecommunication Services

For and on behalf of the Board

Kishor A. Chaukar
(Chairman)

N. Srinath
(Managing Director)

Prof. Ashok Jhunjhunwala
(Director)

D. T. Joseph
(Director)

Koichi Takahara
(Director)

S. Ramadorai
(Director)

Anil Kumar Sardana
(Director)

N. S. Ramachandran
(Director)

S. Venkatesan
(Chief Financial Officer)

Madhav J. Joshi
(Chief Legal Officer and Company Secretary)

Place: Mumbai
Date : April 26, 2011

TATA TELESERVICES (MAHARASHTRA) LIMITED

Registered Office: Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai 400 033.

ATTENDANCE SLIP

Sixteenth Annual General Meeting on Tuesday, August 16, 2011

Reg. Folio No………………………………… DP ID*…………………………….. Client ID*…………………...…………………

Name ……

Address ………

……

……

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company at Kamalnarayan Bajaj Hall & Art Galary Bajaj, Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 at 1500 hours on Tuesday, August 16, 2011.

Member/Proxy name in Block Letters …………………………………………………………………………………………

Member/Proxy's Signature ……………………………………………………………………………………………………

Note: Please fill in this slip and hand over at the ENTRANCE TO THE AUDITORIUM.

* Applicable for shareholder(s) holding shares in electronic (dematerialized) form.

TATA TELESERVICES (MAHARASHTRA) LIMITED

Registered Office: Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai 400 033.

PROXY FORM

Reg. Folio No………………………………… DP ID*…………………………….. Client ID*…………………...…………………

I/We .... of

.... in the district of

.... being a member/members of the above named Company hereby appoint .... of .... in the district of .... or failing him .... of .... in the district of .... as my/our proxy to vote for me/us on my/our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, August 16, 2011 and at any adjournment thereof.

Signature ....

Signed this ....day of ....2011.

Affix a 15 ps. Revenue Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

* Applicable for investors holding shares in electronic (dematerialised) form.

TATA TELESERVICES (MAHARASHTRA) LIMITED

Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai - 400 033.
Tel.: 91 22 6661 5445 Fax : 91 22 6660 5516 / 5517
Website : www.tatateleservices.com

BOOK-POST

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