TATA TELESERVICES (MAHARASHTRA) LIMITED

ANNUAL REPORT 2016-2017

TATA TELESERVICES (MAHARASHTRA) LIMITED

Year on Year Performance – Last Ten Years

(Rs. in Crores)

Particulars	2016-17**	2015-16**	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Income from Telecommunication	2,657.42	2,915.12	2,836.69	2,649.43	2,608.16	2,470.25	2,248.74	2,069.10	1,941.68	1,707.19
Earnings Before Interest, Depreciation, Tax and Amortisation	712.65	815.78	646.46	614.30	500.63	548.83	1,146.77 *	540.51	593.18	485.55
Profit/(Loss) before Extraordinary/ Exceptional Items and Tax	(1,397.65)	(358.34)	(615.25)	(560.08)	(658.77)	(517.55)	49.91	(298.00)	(158.39)	(124.81)
Extraordinary/ Exceptional Items	958.82	-	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	(2,356.47)***	(358.34) ***	(615.25)	(560.08)	(658.77)	(517.55)	49.90	(298.01)	(159.60)	(125.74)
End of Period Subscribers (Nos. in Thousands)	8,682	10,702	11,119	10,578	10,534	14,127	16,852	13,000	7,495	5,079

* Including Rs.834.93 Crores towards profit on sale of wholly owned tower subsidiary
** Financial figures are as per Ind AS
*** Profit/(Loss) after tax figures are before Other Comprehensive Income(OCI)

BOARD OF DIRECTORS

Mr. Kishor A. Chaukar (Chairman)
Mr. D. T. Joseph
Ms. Hiroo Mirchandani
Mr. Govind Sankaranarayanan
Mr. N. Srinath (Managing Director)
Prof. Ashok Jhunjhunwala (resigned w.e.f. February 10, 2017)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kiran Thacker

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants,
Indiabulls Finance Centre,
Tower 3, 32nd Floor, Senapati Bapat Marg,
Elphinstone (W), Mumbai - 400 013.

INVESTOR SERVICES

Mr. Hiten Koradia
Manager – Secretarial
e-mail: investor.relations@tatatel.co.in

REGISTRAR & 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 / 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 6667 1414
Fax: 91 22 6660 5335
Website: www.tatateleservices.com

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.

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Twenty Second Annual General Meeting of Tata Teleservices (Maharashtra) Limited will be held on Monday, July 31, 2017 at 1100 hours at "Rangaswar", 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021

The Annual Report can be accessed at the Company's website www.tatateleservices.com

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of Tata Teleservices (Maharashtra) Limited (the "Company") will be held on **Monday, July 31, 2017 at 1100 hours** at "Rangaswar", 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Govind Sankaranarayanan (DIN:01951880), who retires by rotation and being eligible, offers himself for re-appointment.

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Price Waterhouse Chartered Accountants LLP, having Firm Registration No. 012754N/N500016, be and are hereby appointed as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of this Twenty Second Annual General Meeting ('AGM') of the Company until the conclusion of the Twenty Seventh AGM to be held in the year 2022, (subject to ratification of their appointment by the Members at every AGM, if so required under the Act), on a remuneration as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications thereof for the time being in force), remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) plus out of pocket expenses (incurred in connection with the audit) not exceeding 10% of the remuneration payable to M/s. Sanjay Gupta & Associates, Cost Accountants, having Firm Registration Number 000212, who are appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost accounting records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending on March 31, 2018, be and is hereby ratified and approved;

   RESOLVED FURTHER THAT the Board of Directors (which expression shall be deemed to include any Committee/s thereof), be and is hereby authorized to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for the purpose of giving effect to this resolution, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V to the Act, including any statutory modification thereof read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Articles of Association of the Company and any other applicable provisions, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Srinath Narasimhan (DIN:00058133) as Managing Director of the Company, who is also the Managing Director of Tata Teleservices Limited, for a period of 3 years with effect from February 1, 2017 on the terms and conditions set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Srinath Narasimhan, and that no remuneration shall be payable to Mr. Srinath Narasimhan as Managing Director of the Company;

   RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds and things and to take all the necessary steps as may be required in order to give effect to this Resolution."

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

   "RESOLVED THAT pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment or modification thereof) and applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, approval of the Members of the Company be and are hereby accorded to the material related party transactions/proposed transactions to be entered into between the Company and Tata Teleservices Limited, a related party, relating to rendering or availing of services, sharing of infrastructure, purchase/sale of Assets and Inventory and sharing of costs for an aggregate value of Rs. 620 Crores (Rupees Six Hundred and Twenty Crores Only) per annum for the Financial Years 2018-19, 2019-20 and 2020-21;

   RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this Resolution."

Registered Office:
Voltas Premises,
T. B. Kadam Marg,
Chinchpokli,
Mumbai – 400 033.
CIN: L64200MH1995PLC086354
Website: www.tatateleservices.com
e-mail: investor.relations@tatatel.co.in
Tel.: 91 22 6667 1414
Fax: 91 22 6660 5335

Place: Mumbai
Date: June 27, 2017

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

Kiran Thacker
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES), TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.**

   An instrument appointing a proxy in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. A person appointed as proxy, can act as a proxy for not exceeding fifty Members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), in respect of the Special Businesses are annexed hereto and forms part of this Notice.

4. The relevant details of Director seeking re-appointment, as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") are annexed herewith.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 27, 2017 to Monday, July 31, 2017 (both days inclusive).

6. Members are entitled to hold their shares in dematerialized ("Demat") form. Those Members who are holding shares in physical form are requested to dematerialize their shares by approaching any of the Depository Participant(s). In case any Member wishes to dematerialize his/her/its shares and needs any assistance, he/she/it may write to the Registrar & Transfer Agents of the Company at csg-unit@tsrdarashaw.com and / or to the Investor Relations Officer of the Company at investor.relations@tatatel.co.in.

7. Electronic copy of the Annual Report for financial year 2016-17 and the Notice of 22nd Annual General Meeting ("AGM") alongwith Attendance Slip and Proxy Form are being sent to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report for financial year 2016-17 and the Notice alongwith Attendance Slip and Proxy Form are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agents/Depositories.

8. Members may note that the Notice of the AGM of the Company and the Annual Report for financial year 2016-17 will also be available on the website of the Company www.tatateleservices.com and on the website of National Securities Depository Limited ("NSDL") www.evoting.nsdl.com.

9. As mandated by the Securities and Exchange Board of India ("SEBI"), Members holding shares in electronic form are requested to submit their Permanent Account Number ("PAN") details to their respective Depository Participants and Members holding shares in physical form are requested to submit the PAN details to the Company or its Share Registrar and Transfer Agents.

10. A route map giving directions to reach the venue of the AGM is given at the end of the Notice.

11. **Updation of Members' Details:**

    The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/Registrar and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing the additional details is appended at the end of the Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its Registrar and Share Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant(s).

12. **Process and manner of voting through Electronic Means:**

A. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by NSDL.

B. The facility for voting through ballot/polling paper shall also be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot/polling paper.

C. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

D. The remote e-voting period commences on Thursday, July 27, 2017 (0900 hours IST) and ends on Sunday, July 30, 2017 (1700 hours IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Monday, July 24, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, a Member shall not be allowed to change it subsequently.

E. The process and manner for remote e-voting are as under:

   I. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :

      (i) Open email and open PDF file viz.; "TTML-eVoting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

      (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

      (iii) Click on Shareholder - Login

      (iv) Put your user ID and password (the initial password mentioned in the e-mail sent by NSDL to Members whose email addresses are registered with the Company/ Depository Participant(s) and verification code as displayed. Click Login.

(v) The Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select “EVEN” of “Tata Teleservices (Maharashtra) Limited”.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

(x) Upon confirmation, the message “Vote cast successfully” will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional Members (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting@mehta-mehta.com with a copy marked to evoting@nsdl.co.in.

II. In case a Member receives physical copy of the Notice of AGM [for Members whose email addresses are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided on the Attendance Slip sent alongwith the Notice of AGM.

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

F. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or contact Mr. Rajiv Ranjan, Asst. Manager, NSDL, Trade World, 'A' wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 at his designated email id i.e., evoting@nsdl.co.in or rajivr@nsdl.co.in or Tel. No. 91 22 2499 4738 / 1800-222-990.

G. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Members who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com. In case Members are holding shares in demat mode, USER-ID is the combination of (DP ID+Client ID). In case Members are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

H. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

I. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e., Monday, July 24, 2017.

J. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot/polling paper.

K. Any person, who acquires shares of the Company and become a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., Monday, July 24, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or at investor.relations@tatatel.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

L. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

M. Ms. Dipti A. Mehta (Membership No. FCS 3667), Partner, Mehta & Mehta, Practicing Company Secretaries, has been appointed for as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

N. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot/polling paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

O. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other Director authorised in this behalf, who shall countersign the same.

P. The Chairman or any other Director authorized in this behalf shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the results of the voting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatateleservices.com and on the website of NSDL www.evoting.nsdl.com immediately after the results are declared by the Chairman or any other Director so authorised. Simultaneously, the same will also be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors at its meeting held on May 12, 2017, on the recommendation of the Audit Committee, has approved the appointment of M/s. Sanjay Gupta & Associates as Cost Auditors for auditing the cost accounting records in respect of the services covered under the Companies (Cost Records and Audit) Rules, 2014 of the Company for the financial year 2017-18 at a remuneration of Rs. 2,00,000/- plus out of pocket expenses incurred in connection with the said audit but not exceeding 10% of the remuneration.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, remuneration of Cost Auditor of the Company is required to be ratified and approved by the Members of the Company. Accordingly, the consent of the Members by way of an ordinary resolution is sought for the ratification of the remuneration payable to M/s. Sanjay Gupta & Associates.

M/s. Sanjay Gupta & Associates, Cost Accountants, have certified that they are eligible for appointment as Cost Auditors, free from any disqualifications, are working independently and maintaining arm's length relationship with the Company.

The Board commends the Ordinary Resolution at Item No. 4 of the Notice for ratification and approval by the Members.

None of the Directors, Key Managerial Personnel and/or their respective relatives are in any way concerned or interested in the resolution mentioned at Item No. 4 of the Notice.

Item No. 5

The Board, at its meeting held on January 31, 2017, re-appointed Mr. N. Srinath as Managing Director of the Company under the provisions of the Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Schedule V to the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications thereof, for a period of 3 years with effect from February 1, 2017, subject to approval of the Members and such other approvals as may be required. Mr. N. Srinath is also the Managing Director of Tata Teleservices Limited and hence the re-appointment has been made by the Board of Directors in accordance with the provisions of Section 203 of the Act.

Mr. N. Srinath, aged 55 years, is a Mechanical Engineer from IIT (Chennai) and has a Management Degree from IIM (Kolkata), specialized in Marketing and Systems. Since joining the Tata Administrative Services in 1986, Mr. N. Srinath has held positions in Project Management, Sales & Marketing and Management in different Tata companies for more than 30 years.

Mr. N. Srinath is also Member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Finance Committee and Executive Committee of the Company. He does not hold any equity shares of the Company as on date.

The principal terms and conditions of Mr. Srinath's appointment as Managing Director (hereinafter referred to as “Mr. Srinath” or the “Managing Director”) and the main clauses of the Agreement to be executed between the Company and Mr. Srinath are as follows:

1. **Term and Termination:**

1.1 Three (3) years from the date of appointment.

1.2 The Agreement may be terminated earlier, without any cause, by either party by giving six month's notice of such termination.

2. **Remuneration:**

Mr. N. Srinath would not draw any remuneration from the Company as Managing Director.

3. **Duties and Powers:**

3.1 Mr. Srinath shall devote appropriate time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to him from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

3.2 Mr. Srinath shall not exceed the powers so delegated by the Board pursuant to clause 3.1 above.

3.3 Mr. Srinath undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

3.4 Mr. Srinath shall undertake his duties from such location as may be directed by the Board.

Other terms of Appointment:

4 The terms and conditions of the appointment of Mr. Srinath may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and Mr. Srinath, subject to such approvals as may be required.

5 Mr. Srinath, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

6 All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to Mr. Srinath, unless specifically provided otherwise.

7 The employment of Mr. Srinath may be terminated by the Company without notice:

   a. if Mr. Srinath is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

   b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by Mr. Srinath of any of the stipulations contained in the Agreement.

8 In the event Mr. Srinath is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

9 Upon the termination by whatever means of his employment under the Agreement:

a. Mr. Srinath shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.

b. Mr. Srinath shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

10 If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Srinath will cease to be the Managing Director of the Company and also cease to be a Director of the Company. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Agreement shall forthwith terminate. If at any time, Mr. Srinath ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

11 The terms and conditions of the appointment of Mr. Srinath also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, maintenance of confidentiality, non-competition and non-solicitation.

The draft Agreement to be executed with Mr. N. Srinath would be available for inspection at the Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on all working days except, Saturdays, Sundays and public holidays up to the date of the AGM.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment of Mr. Srinath as specified above are now being placed before the Members for their approval.

The Board believes that the Company would be immensely benefited from the re-appointment of Mr. N. Srinath as Managing Director and therefore recommends the Resolution at Item No. 5 for approval by the Members.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. N. Srinath, are in any way concerned or interested in passing of the Resolution at Item No. 5 of the Notice.

Item No. 6

Tata Teleservices (Maharashtra) Limited ("TTML" / the "Company") provides telecommunication services to its subscribers in Mumbai and Rest of Maharashtra (including Goa) telecom circles. Tata Teleservices Limited ("TTSL") provides telecommunication services in Pan India, except Mumbai, Rest of Maharashtra (including Goa), Jammu & Kashmir, North East and Assam. TTSL also operates and maintains National Long Distance ("NLD") service network within territorial boundaries of India under license granted by Government of India. TTSL and TTML share certain infrastructure between them to achieve optimum cost of operations and also seamless connectivity as part of offering such services across the Country to their respective subscribers.

TTSL and TTML are conducting business under one single brand 'Tata DOCOMO' with no overlapping geographies or conflicting businesses.

In order to achieve mutual benefits in the form of economies of scale and optimizing costs, TTSL and TTML have entered into various agreements in the past, to share costs of certain shared central services, network assets and other infrastructure / resources.

In addition, both TTML and TTSL had entered into interconnect agreements as mandated by the Telecom Regulatory Authority of India ("TRAI") for providing seamless access to the subscribers of each other. TTSL being NLD operator, TTML has entered into an agreement with TTSL for routing the traffic through NLD network of TTSL. TTML has also entered into similar agreements with other NLD operators.

TTML and TTSL propose to continue with the aforesaid agreements/arrangement in the future also.

Under the provisions of Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all Related Party Transactions require prior approval of the Audit Committee and all material Related Party Transactions require approval of the shareholders of the Company by an ordinary resolution. A transaction with a related party shall be considered material, if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company. TTML and TTSL are related parties as defined under Regulation 23 of the Listing Regulations since both are subsidiaries of Tata Sons Limited.

The transactions between TTML and TTSL include the following:

a. **National Roaming services (GSM & CDMA):** Telecom Service Provider enters into reciprocal arrangements with each other and rates between the TTML and other telecom Operators are similar.

b. **Inter Connect Usage Charges (Carriage):** The charges are based on volumes and TTSL and TTML offer each other competitive market rates.

c. **Inter Connect Usage Charges (Termination):** These charges are prescribed by TRAI from time to time and are followed by all the telecom operators in India.

d. **Purchase of Assets and Inventory:** Transaction Values are based on original procurement price as billed by independent third parties or such prices adjusted for depreciation without any mark-up.

e. **Service Income:** Income from provision of services is comparable with that offered by TTML to other similar offerings to other customers.

f. **Other Income:** Leasing of properties is made either based on valuation of the properties or the rates at which TTML had taken the same on lease from other private parties. Maintenance of such facilities are reimbursed by TTSL to TTML at actual without adding any mark-up.

g. **Allocation of Costs:** Sharing of common resources is based on "Various Ratios" such as Subscriber Ratio, Revenue Ratio and Reimbursement of Actual cost without mark-up.

Transactions are in nature of Revenue, Operation Costs and Capital Expenditures for TTML.

Further, TTML would incur higher cost if the contracts are entered into separately for volumes of the Company as against combined volumes of both TTSL and TTML. In addition, TTML also benefits from the synergy on integrated marketing strategy and optimum utilisation of knowledge, skill and experience, which would not have otherwise been available to TTML if such arrangements were not in place.

The aggregate value of the transactions with TTSL, a subsidiary of the holding Company to which the Company is also a subsidiary, for the next 3 Financial Years viz., 2018-19, 2019-20 and 2020-21 is estimated at Rs. 620 Crores per annum, which is likely to exceed the materiality threshold limit. Hence, the transactions are required to be approved by the shareholders. These transactions are in the ordinary course of business of the Company and on arm's length basis. Prior approval of the Audit Committee has been received for the same.

The Board commends the resolution as per the accompanying Notice, for approval by the Members of the Company.

Pursuant to Regulation 23 of the Listing Regulations, all the related parties i.e., all entities falling under definition of related parties as per Regulation 23 of the Listing Regulations, shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

The shareholding (including Preference Share Capital) of the Promoters of TTML in TTSL is given below:

Sr. No.	Name of Company/Body Corporate	Category (in relation to TTML)	Shareholding in TTSL (Including Preference Capital) Percentage (%)
1	Tata Sons Limited	Promoter	74.93%
2	NTT DOCOMO Inc.	Another Promoter	10.41%

Mr. N. Srinath is Managing Director of the Company and TTSL. Except Mr. N. Srinath, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the aforesaid resolution.

Registered Office:
Voltas Premises,
T. B. Kadam Marg,
Chinchpokli,
Mumbai – 400 033.
CIN: L64200MH1995PLC086354
Website: www.tatateleservices.com
e-mail: investor.relations@tatatel.co.in
Tel: 91 22 6667 1414
Fax: 91 22 6660 5335

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

Kiran Thacker
Company Secretary

Place: Mumbai
Date: June 27, 2017

Important Communication to Members

Members holding shares in electronic mode are requested to update their e-mail address with their respective Depository Participant and for Members holding shares in physical mode are requested to provide their e-mail address to the Company at investor.relations@tatatel.co.in or to the Registrar and Share Transfer Agent at csg-unit@tsrdarashaw.com, so as to allow the Company to serve the documents in electronic mode.

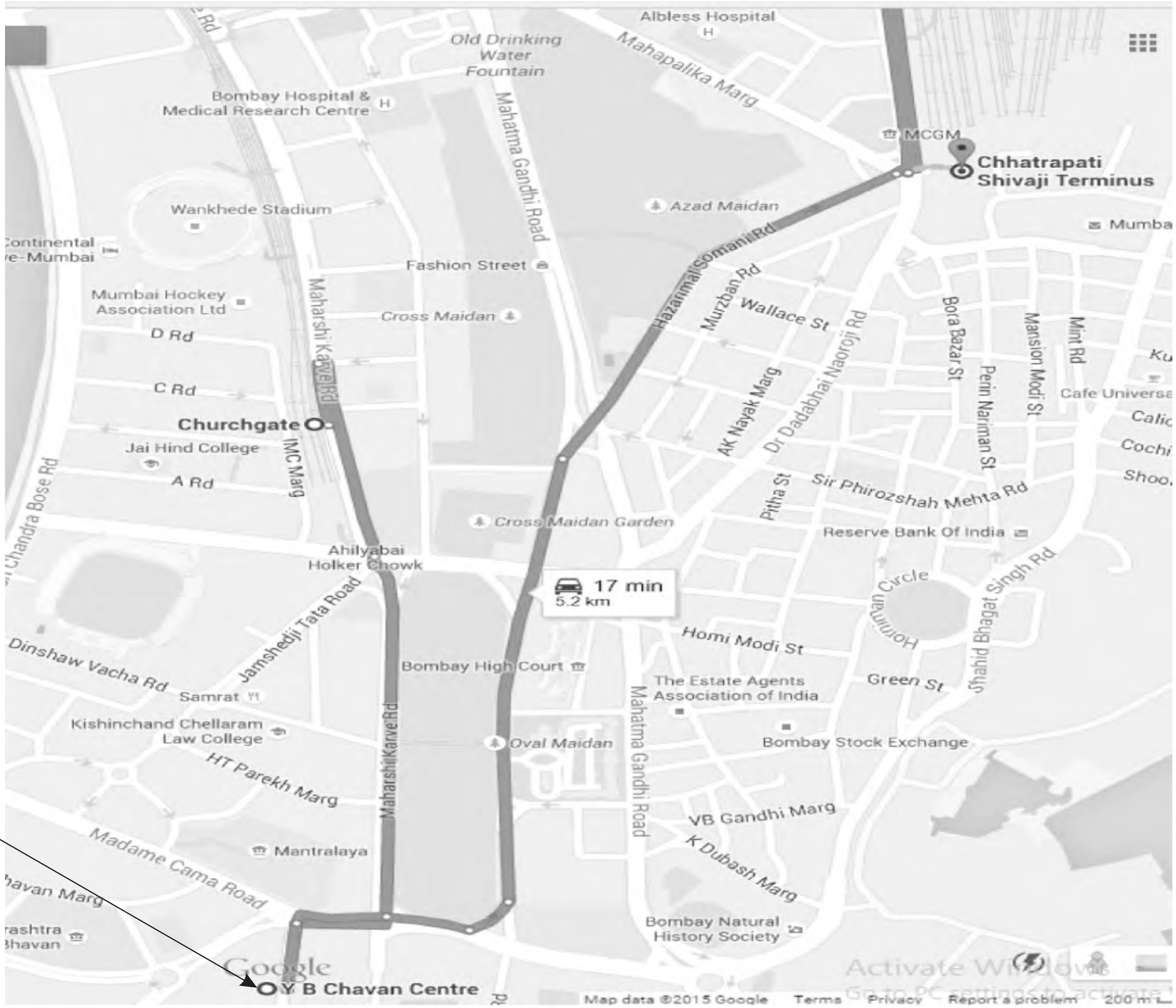
Request to the Members

Members are requested to send their question(s), if any, to the Company Secretary / Chief Financial Officer at the Registered Office address of the Company or e-mail at investor.relations@tatatel.co.in in advance so that the answers/details can be kept ready at the Annual General Meeting.

Details of Director as on the date of this Notice seeking re-appointment at the Annual General Meeting ("AGM")
(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Mr. N. Srinath		Mr. Govind Sankaranarayanan	
Date of Birth	July 8, 1962		September 18, 1968	
Age	54		48	
Date of Appointment	Appointed first time from February 1, 2011 (Last re-appointed by the Shareholders at the AGM held on September 25, 2014 w.e.f. February 1, 2014). NRC and Board has re-appointed him for 3 years effective February 1, 2017.		March 9, 2015	
Qualifications	Mechanical Engineering from IIT (Chennai) and a Management Degree from IIM (Kolkata)		B.E (Chemical Engineering) from Birla Institute of Science & Technology, Pilani, PGDM from IIM-Bangalore and Masters in Finance from London Business School.	
Experience	31 years of experience within the Tata Group and has held positions in Project Management, Sales & Marketing and Management in different Tata companies in the ICT sector		Experience of over 25 years in General Management and Finance. Currently, Chief Operating Officer - Retail Business & Housing Finance, Tata Capital Limited since September 2007. He has been instrumental in establishing key functions of Financial Management, Treasury, Risk and overall Corporate Strategy.	
Terms and conditions of appointment	As per the resolution passed at the AGM of the Shareholders held on September 25, 2014		Director in Non-Executive Non-Independent capacity Liable to retire by rotation	
Remuneration sought to be paid	No remuneration shall be paid		Sitting fees of Rs. 20,000 per meeting of the Board of Directors or any Committee thereof	
Last remuneration drawn during the year 2015-16	Nil		Nil	
Number of Board meetings attended during the year	Held	Attended	Held	Attended
	7	6	7	6
Expertise in specific functional area	High-technology areas such as Process Automation and Control, Information Technology and Telecommunication		Rich experience in General Management, Business Development, Finance & managing organization in transition.	
Number of shares held in the Company (including held by the dependents)	Nil		Nil	
Directorships held in other companies	• Tata Teleservices Limited • Tata Communications Limited • Tata Business Support Services Limited • Honeywell Automation India Limited • Tata Industries Limited • ATC Telecom Infrastructure Private limited • Tata Communications International Pte. Ltd., Singapore		• Tata Capital Housing Finance Ltd. • TC Travel and Services Ltd. • Tata Capital Forex Ltd.	
Memberships / Chairmanships of Statutory Committees across other companies	**Audit Committee:** • Honeywell Automation India Limited (Member) **Nomination and Remuneration Committee:** • Tata Business Support Services Limited (Member) • Honeywell Automation India Limited (Chairman) • ATC Telecom Infrastructure Private Limited (Member) • Tata Industries Limited (Member) **Corporate Social Responsibility Committee:** • Tata Teleservices Limited (Member) • Honeywell Automation India Limited (Member)		**Nomination and Remuneration Committee:** • TC Travel and Services Limited (Member) • Tata Capital Forex Limited (Member)	
Relationship with other Directors	None		None	

The route map of the AGM venue is given below:



Y B Chavan Centre
General Jagannathrao
Bhosle Road,
Nariman Point,
Opp. Mantralaya
Mumbai - 400 021.

DIRECTORS' REPORT

Dear Members,

Your Directors present 22nd Annual Report on the business and operations of Tata Teleservices (Maharashtra) Limited ("TTML"/ the "Company"), together with the audited financial statements for the year ended March 31, 2017 and other accompanying reports, notes and certificates.

COMPANY OVERVIEW

TTML holds two Unified Licences ("UL"), one for Mumbai Metro service area and the other for Maharashtra service area i.e., Rest of Maharashtra and Goa. The Company is an integrated player across:

- Technologies - Wireline, Code Division Multiple Access ("CDMA"), Global System for Mobile ("GSM") and 3G;
- Products - Voice, Data & Other enterprise services (Connectivity and Managed services, Verticals based mobile applications and Cloud services); and
- Customer segments – Retail, Large corporate and Small & Medium Enterprises.

The Company provides its range of products and services to about 8.7 Million (wireline + wireless) subscribers under the 'Tata DOCOMO' brand. Its network consists of about 14,000 Base Transceiver Stations (including ICR sites) and optical fibre transmission network about 15,000 kms., in Mumbai and Maharashtra service areas.

FINANCIAL RESULTS

The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016, with transition date from April 1, 2015. Accordingly, the financial reports for current financial year 2016-17 and previous financial year 2015-16 have been prepared as per Ind AS reporting framework.

The financial highlights of the Company for the year ended March 31, 2017 are as follows:

(Rs. in Crores)

Particulars	2016-17	2015-16
Total Revenue	**2,761**	2,999
Expenditure	2,049	2,183
Earnings before Interest, Depreciation, Tax and Amortization ("EBITDA")	**713**	816
Finance & Treasury charges including foreign exchange impact (net)	1,314	714
Depreciation / Amortization	796	460
Profit/(Loss) After Tax	**(1,398)**	(358)
Exceptional items	959	-
Profit/(Loss) After Tax	**(2,356)**	(358)

- During the year, the industry's financial performance was significantly affected by the launch of the new entrant offering free services.
- The Company reported total revenue at Rs. 2,761 Crores as compared to Rs. 2,999 Crores in the previous year, decline of about 7.9%.
- The Company reported a 12.6% fall in EBITDA at Rs. 713 Crores as against Rs. 816 Crores in the previous year. EBITDA margin for the year was 26%.
- The Company's loss before exceptional items was Rs. 1,398 Crores as compared to last year's level of Rs. 358 Crores, primarily because of interest and amortization cost of spectrum acquired in March, 2015 auctions that started being charged during the current financial year. The Company has recorded an impairment loss of Rs. 905 Crores, which has been recognized as exceptional item during the year. The reported net loss for the Company was Rs. 2,356 Crores.

KEY DEVELOPMENTS DURING 2016-17

INDUSTRY DEVELOPMENTS

The year saw developments in the telecom sector that significantly impacted the business of each and every operator including spectrum auctions, followed by the launch of new entrant in the sector, the demonetization initiative of the Govt., announcement of consolidation in the industry, etc.

a. Spectrum Auction

The Department of Telecommunications ("DoT") concluded spectrum auction in October 2016, wherein a total of 2,354.55 MHz of spectrum was put to auction by DoT across 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz bands in various service areas. The auction lasted 31 rounds to complete wherein 7 operators acquired 964.80 MHz of spectrum, committing an amount of Rs. 65,789 Crores to the Government.

The Company participated in this auction with the objective of renewing its 2G GSM spectrum in both its service areas, viz. Mumbai and Maharashtra, where it is expiring in September, 2017. The Company was successful in winning it in the 1800 MHz bands in both the service areas, as highlighted below:

Circle	Spectrum (MHz)
Maharashtra	5.0
Mumbai	5.0

Total amount committed by the Company is Rs 4,036 Crores. The spectrum allotted is valid for 20 years from the date of allotment. The Company has availed the deferred payment option provided by the Government whereby the Company has paid an upfront amount of Rs. 2,018 Crores. Balance amount is payable in 10 equal installments after a moratorium of 2 years, with a 9.3% rate of interest.

b. Data Growth

Pursuant to the launch of 4G services during the current year, the industry witnessed a significant growth in data usage. This surge was driven by the demand for high speed services by the consumers, to which the industry operators responded by aggressively rolling out 4G sites. The entry of the new operator further amplified data consumption volumes as the industry saw shift from data packet pricing to bundled pricing and from capped usage to unlimited minutes data usage.

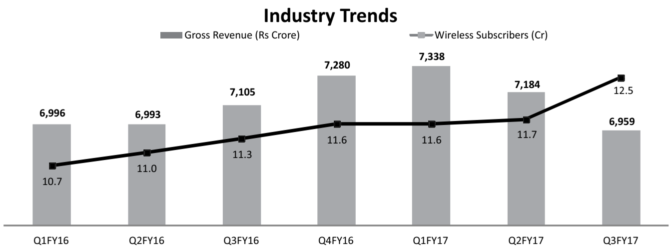
c. New Competition in the Industry

In September, 2016, industry witnessed the entry of a new operator with 4G and offering very aggressive introductory prices for voice and data services. The industry saw aggressive offers from the competition to retain their customers and maintain their market share. Data traffic grew tremendously on the back of free/ low cost services.

d. Industry revenue declining

Industry saw a decline in revenue in the current financial year due to reasons explained above. The industry has been growing at an average rate of ~8% over the last 5 years. However, the industry revenue declined in the current year on account of free services offered by the new entrant, which was further aggravated by the heavily discounted products offered by other operators.

Although the industry added ~10 million subscribers during the year, it failed to generate resultant revenue from them due to the heavily discounted products in the market.



**Source TRAI, figures till December, 2016.*

The above data pertains to Mumbai and Maharashtra circles only; Q4 FY16 revenue figure normalized basis best estimates.

e. Demonetization

In November 2016, the Goverment of India announced the demonetization of Rs. 500 and Rs. 1000 currency notes in order to crack down on the use of illicit and counterfeit cash to fund illegal activity. The sudden nature of the announcement and the cash shortages in the following weeks had impact on the telecom sector as well. Though the impact on revenue front was marginal, it took considerable time to regain the business as usual.

The industry moved towards consolidation with multiple announcements of M & A as well as spectrum trading deals during the course of the year. Also, the telecom operators are looking towards newer avenues like payments bank to further expand and strengthen their businesses.

COMPANY'S INITIATIVES

The Company broke the blind ad-clutter to be sharply relevant to customers through media communication capabilities that target customers at the deepest level of personalisation, where the user sees a unique and different message, meant exclusively for him. This was accomplished by building a powerful central engine, inside which various relevant streams of customer data are analysed and merged together to create a complete and unified user-view. The output was then fed to both owned media and paid media channels as personalised communication for each customer, the new way of effective marketing. This won us accolades like the Voice & Data Telecom Leadership Award for N=1 Level Hyper Personalisation, DMA ECHO for Creative Effectiveness through Creative Use of Data and Analytics to drive user engagement driven sales, and Campaign India Award for Tata DOCOMO DynaSite initiative and Long Term Strategy towards building a Truly Digital Brand.

During the year, the brand Tata DOCOMO stood for transparency and simplicity across Prepay, Postpay and Broadband categories. We drove brand relevance and product superiority through various campaigns rolled out across key touch points like Out Of Home, Digital and Retail. Some of the major campaigns in the year included the No Conditions Campaign, Simple is the Best Campaign and Bigger than Unlimited Campaign.

In the enterprise segment, Tata DOCOMO Business Services caters to SMEs and large enterprises, along with Carriers. The strategy of the Company revolves around building products and solutions in the areas of Business Connectivity and Collaboration, Mobility, IoT and Marketing Solutions. The Company continues to innovate and during the course of the year introduced a host of innovative solutions such as Ultra LOLA (low latency ILL), IoT based Tracking Services, Mobile Device Management (MDM), Hosted Voice Solutions and Express VPN on 3G. We were presented the Leadership Recognition Awards at the Voice and Data Telecom Leadership Forum 2016 and received the Service Quality Awards at the World Quality Congress for new product innovation.

Tata DOCOMO Business Services (”TDBS”) interacts and engages with its existing as well as potential customers using numerous channels, across traditional and new age media. It has established a thought leadership platform under the 'Do Big' banner where relevant content in the form of whitepapers, articles, case studies, testimonials, product/ technology information and market trends are shared and communicated to business customers via website, apps, webinars, social media platforms, blogs, events and other relevant channels.

This year saw the 'Do Big Symposium' bring together over a thousand CEOs and senior leaders across 9 cities for discussions around - Digital Dividends: A Leader's Perspective. This got around 65,000 seconds of airtime on CNBC TV across a period of 4-5 months. Apart from this 'Do Big Stories', in association with ET CIO, has made available a content hub (http://cio.economictimes.indiatimes.com/dobig) that showcases innovations across industries using technology. This has been covered on ET online, mobile, ET NOW channel and ET print. During the year, TDBS also did a brand campaign around the 'Business Made Easy' theme that was communicated via print - financial dailies and business magazines, 100+ outdoor hoardings (90,000+ sq.ft. OOH space) and digital platforms (120+ m impressions). The objective was to reach out to small and medium business owners who are looking to partner with someone that addresses their business challenges and helps them to manage their telecom related dependencies, while they can focus on their core business.

NETWORK

During the year, clear emphasis was placed on optimum utilization of assets leading to rollback of sites in non-profitable areas and deployment of sites in high utilization areas. Additionally, in order to meet data capacity requirement, ninety three 3G BTS were rolled out.

In the last six years through its 'Project Optimus' initiative, the Company has converted around 1,612 sites from Indoor to Outdoor that resulted in Annualized Savings of 5494 MWh of Grid units, 683 KL of diesel, 6466 TCO2 carbon foot print and Rs. 8.01 Crores of operating costs. This was achieved through conversion of base stations from Indoor BTS to Outdoor through Outdoor Cabinet, Free Cooling units and Natural Cooling Units. The solution was implemented across 109 sites during the current year.

The Company currently provides wireless services in 850 towns for GSM, 253 towns of 3G and 526 towns for CDMA. The Company also has High Speed Internet Access ("HSIA") services in 31 towns in the states of Maharashtra and Goa. Seamless international roaming services are also provided to the customers supported by tie ups with 393 operators for in-roaming and 408 out-roaming operators globally.

SAFETY

The Company has a well defined and practiced Employee Safety and Well-being Policy. The Company's Safety Policy comprises guidelines and standardized practices, based on robust processes. It advocates in proactively improving its management systems, to minimize health and safety hazards, thereby ensuring compliance in all operational activities.

To minimize and mitigate risks related to Fire Safety and Physical Security, the Company has taken up various safety initiatives/projects including:

- First Aid and Fire Safety trainings for all employees;
- Emergency Mock fire drills (day/night) every six months;
- Dissemination of Safety Guidelines, through Safety Awareness mailers and videos / Safety SMS's (covering Do's & Don'ts during emergency).

The above actions are part of 4 pillars of Safety initiatives comprising:

- Safety Awareness and Communication;
- 4 tier Audit Mechanism;
- Corrective and Preventive Actions ("CAPA");
- Benchmarking and Best Practice sharing, within and outside Tata Group companies.

CHANGE IN AUTHORISED SHARE CAPITAL

During the financial year, the Company increased its Authorised Share Capital from Rs. 2500,00,00,000/- (Rupees Two Thousand Five Hundred Crores Only) divided into 250,00,00,000 (Two Hundred Fifty Crores) Equity shares of Rs. 10/- (Rupees Ten Only) each TO Rs. 5500,00,00,000/- (Rupees Five Thousand Five Hundred Crores Only) divided into 250,00,00,000 (Two Hundred Fifty Crores) Equity shares of Rs. 10/- (Rupees Ten Only) each and 30,00,00,000 (Thirty Crores) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each by creation of 30,00,00,000 (Thirty Crores) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

ISSUE OF REDEEMABLE PREFERENCE SHARES

During the financial year, the Company issued and allotted 20,18,00,000 (Twenty Crores Eighteen Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 2018,00,00,000/- (Rupees Two Thousand Eighteen Crores Only), on preferential basis to Tata Teleservices Limited ("TTSL") on October 18, 2016. Proceeds were utilized to make 50% down payment to DoT towards spectrum won in October 2016 auction.

CORPORATE STRUCTURE

HOLDING COMPANY

Pursuant to the provisions of the Companies Act, 2013 (the "Act"), Tata Sons Limited is the Holding Company of your Company.

SUBSIDIARY AND ASSOCIATE COMPANY

The Company does not have any subsidiary or associate company within the meaning of relevant provisions of the Act.

BOARD OF DIRECTORS, MEETINGS AND ITS COMMITTEES

As on March 31, 2017, the Board of Directors comprised of 5 (Five) Directors. Of the 5 (Five) Directors, 4 (Four) (i.e., 80%) are Non-Executive Directors and 1 (One) Managing Director. The Non-Executive Directors include 1 (One) Chairman and 2 (Two) Independent Directors. The composition of the Board is in conformity with the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Listing Regulations.

RESIGNATION

Prof. Ashok Jhunjhunwala, Independent Director of the Company, resigned from the Board of the Company with effect from February 10, 2017 due to his other commitments.

The Board placed on record its appreciation for the contributions made by Prof. Jhunjhunwala during his tenure.

DIRECTORS RETIRING BY ROTATION

In accordance with the relevant provisions of the Act and in terms of the Articles of Association of the Company, Mr. Govind Sankaranarayanan retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment. The Board recommends his re-appointment. The relevant details of Mr. Govind Sankaranarayanan form part of the Notice convening 22nd AGM.

MEETINGS OF THE BOARD OF DIRECTORS

A calendar of Board and Committee meetings to be held during the financial year was circulated in advance to the Directors.

During the financial year, 7 (Seven) Board meetings were held. Details of composition of the Board, meetings of the Board held and attendance of the Directors at such meetings are provided in the Corporate Governance Report, annexed to the Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

COMMITTEES OF THE BOARD

There are currently 4 (Four) Statutory Committees of the Board, as follows;

(i) Audit Committee;

(ii) Corporate Social Responsibility Committee;

(iii) Nomination and Remuneration Committee;

(iv) Stakeholders' Relationship Committee.

During the financial year, the Board re-constituted some of the Committees in accordance with the Act and the Listing Regulations. Details of all the Committees along with their terms of reference, composition and meetings of each Committee held during the financial year are provided in the Corporate Governance Report, annexed to the Annual Report.

KEY MANAGERIAL PERSONNEL

Mr. N. Srinath was re-appointed as Managing Director and Key Managerial Personnel of the Company for a period of 3 (Three) years with effect from February 1, 2017, subject to approval of the Members of the Company at the ensuing 22nd AGM.

POLICIES AND PROCEDURES

Company's Policies on Appointment and Remuneration of Directors

The Policy of the Company on Directors' appointment including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, Key Managerial Personnel and other employees are annexed as **Annexure - IA** and **Annexure - IB** to this Report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Listing Regulations.

The performance of the Board, the Committees and individual Directors was evaluated by the Board after seeking inputs from all the Directors through a questionnaire wherein the Directors were required to evaluate the performance on scale of one to five based on the following criteria:

a) Criteria for Board Performance Evaluation: Degree of fulfillment of key responsibilities, Board structure and composition, Establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning, Board Culture and Dynamics, Quality of relationship between the Board and the Management.

b) Criteria for Committee Performance Evaluation: Degree of fulfillment of key responsibilities, Adequacy of Committee Composition, Effectiveness of meetings, committee dynamics, Quality of Relationship of the Committee with the Board and the management.

c) Criteria for Performance Evaluation of Individual Directors: Attendance, Contribution at meetings, guidance, Support to Management outside Board/Committee meetings.

The Chairman of the Board, who is one of the Member of the Nomination and Remuneration Committee (“NRC”), was nominated for conducting one-on-one discussions with Directors to seek their feedback on the Board and other Directors.

The NRC also reviewed the performance of the individual Directors. In addition, the Chairman was evaluated on the key aspects of his role.

In separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Director and Non-Executive Directors. Thereafter, the Board also reviewed the performance of the Board as a whole, its Committees and individual Directors.

RISK MANAGEMENT POLICY

The Company has Risk Management Policy and the risk management framework which ensures that the Company is able to carry out identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has established and maintained adequate internal financial controls with respect to financial statements. Such controls have been designed to provide reasonable assurance with regard to providing reliable financial and operational information. During the year, such controls were operating effectively and no material weaknesses were observed.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism in form of Whistle Blower Policy for Directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, details of which are provided in the Corporate Governance Report, which forms part of the Annual Report.

The Policy provides for adequate safeguards against victimization of Directors/employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The Whistle Blower Policy has been placed on the website of the Company i.e.,www.tatateleservices.com.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (“CSR”) Committee in accordance with Section 135 of the Act. The composition of CSR Committee, the details of CSR Policy and initiatives taken by the Company on CSR activities during the year have been provided in the **Annexure – II** to this Report.

OTHER STATUTORY DISCLOSURES

Contracts or Arrangements with Related Parties

All Related Party Transactions (“RPTs”) that were entered into during the financial year were on an arm's length basis and in the ordinary course of business of the Company. Pursuant to Regulation 23 of the Listing Regulations and Section 177 of the Act, prior approval of the Audit Committee is obtained for all RPTs. A statement of significant RPTs is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Further, your Company has taken a prior approval of the Members for all material transactions/proposed transactions entered/to be entered into between the Company and TTSL, a related party, relating to rendering or availing of services, sharing of infrastructure, purchase/sale of Assets and Inventory and sharing of costs for an aggregate value of Rs. 470 Crores (Rupees Four Hundred Seventy Crores Only) for finacial year 2014-15 and upto maximum aggregate value of Rs. 620 Crores (Rupees Six Hundred and Twenty Crores Only) per annum for the financial years 2015-16, 2016-17 and 2017-18.

The details of material contracts or arrangement or transactions entered by your Company on arm's length basis are provided in Form AOC-2, which is annexed as **Annexure – III** to this Report.

Particulars of Loans, Guarantees or Investments

Your Company being in business of providing infrastructural facilities, provisions of Section 186 of the Act, do not apply to the Company in respect of loans made, guarantees given or security provided by the Company.

Your Company has not made any investment in securities of other Bodies Corporate during the financial year 2016-17.

Dividend and 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.

Deposits

The Company has not accepted any deposits from public, during the financial year 2016-17, within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's offices, and take appropriate decision in resolving such issues.

During the financial year 2016-17, the Company has not received any complaint on sexual harassment.

Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – IV** to this report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Pursuant to Section 136(1) of the Act, this Report is being sent to the Members of the Company excluding the aforesaid information. However, the same is open for inspection at the registered office of the Company. Copies of this statement may be obtained by the Members by writing to the Company Secretary of your Company.

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

Pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014, the details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under:

(A) Conservation of Energy:

(i) Steps Taken or Impact on Conservation of Energy:

a. Electricity and Diesel Generators are used for the powering of the Company's telephone exchanges and other network infrastructure equipment. The Company regularly reviews power consumption patterns across its network and has implemented various innovative projects including green initiatives in order to optimize power consumption which resulted into substantive cost savings and reduction of carbon foot print. Some of the major projects undertaken during the year are:

- Indoor BTS with Outdoor cabinet on new project roll out - 32 nos.
- FCU (Free Cooling Units) and NCU (Natural Cooling Unit) deployment and AC (Air Conditioner) switch off - 77 nos.
- Network consolidation – 4 MSCs switched off.
- Energy day is observed at core locations once a week where energy saving measures are taken.

b. The initiative on energy conservation has resulted into reduction of 6860 Million units of energy consumption, carbon foot print reduction of 6,466 TCO2 for the financial year 2016-17.

c. Periodic energy audit and implementation of audit recommendations.

(ii) Steps taken by the Company for utilizing alternate sources of Energy: The Company has not utilized any alternate sources of energy. However, your Company is exploring various opportunities in this area and suitable solutions will be deployed once finalized.

(iii) **Capital Investment on Energy Conservation Equipments:** The Company has made capital investment of Rs. 0.19 Crores on energy conversation equipments.

(B) Technology Absorption: The Company has not imported any new technology.

(C) Foreign Exchange Earnings and Outgo:

(Rs. in Crores)

Particulars	2016-17	2015-16
Earnings	1.45	3.87
Outgo	137.69	128.40
Capital Goods	32.07	117

Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and the Company's Operation in Future

While there are certain critical litigations including litigations relating to various demands made by DoT, there are no significant material orders passed, as of date, by the Regulators / Courts or the Company has interim protection from courts against enforcement of such demands or notices, which would impact the going concern status of the Company and its future operations. However, there is always a chance that any order passed in critical litigations in future may have an impact on the going concern or future operations of the Company.

Extract of Annual Return

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is annexed as **Annexure – V** to this Report.

AUDITORS

Statutory Auditors

Deloitte Haskins & Sells LLP (“DHS”), Chartered Accountants, the present statutory auditors, retire at the conclusion of the ensuing AGM.

Pursuant to Section 139 of the Act, the Company shall appoint / re-appoint Statutory Auditors firm for 2 consecutive terms of 5 years each. DHS, Chartered Accountants, have been Statutory Auditors of the Company for more than 10 years and that the Company has to replace them post the ensuing AGM of the Company. The Board of Directors of the Company at its meeting held on February 9, 2017 has recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP (“PWC”) (FRN 012754N/N500016) as the statutory auditors of the Company for a period of 5 years from the conclusion of ensuing 22nd AGM till the conclusion of 27th AGM to be held in the year 2022, subject to approval of the Members of the Company. PWC have confirmed their willingness and eligibility for appointment in accordance with Section 139 read with Section 141 of the Act. Members are requested to consider the appointment of PWC and authorize the Board of Directors to fix their remuneration.

Cost Auditors

The Board of Directors of your Company has on the recommendation of Audit Committee, approved the re-appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2017-18. Members are requested to consider, approve and ratify the remuneration payable to M/s. Sanjay Gupta & Associates for the financial year 2017-18.

Internal Auditors

The Board has appointed Axis Risk Consulting Services Private Limited, ANB Solutions Private Limited and Grant Thornton India LLP as Internal Auditors of the Company for conducting internal audit of the Company for the first two quarters of the Financial Year 2017-18. The Company is in the process of appointing Internal Auditors for second half of the Financial Year 2017-18.

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Mehta & Mehta, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the year ending March 31, 2017. The Secretarial Audit Report in Form MR-3 is annexed as **Annexure – VI** to this Report.

The observation made by the Secretarial Auditors in its Report and Directors' comments are given as under:

Observation:

As per regulation 33(3)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to submit it's Financial Results within sixty days from end of Financial Year, however the Company submitted Financial Results for the period ended March 31, 2016 to the Stock Exchanges on June 25, 2016.

Directors' Comments

Since the Financial Results for the period ended March 31, 2016 were under the finalization, the same could not be submitted within the prescribed time. As per SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015, the Company had paid 1,01,30,000/- without holding of any tax to National Stock Exchange of India Limited and Rs. 1,14,46,900/- (post deducting TDS amounting to Rs. 2,02,600/-) to BSE Limited, as penalty for delay in submission of financial results.

AUDITORS' OBSERVATIONS AND DIRECTORS' COMMENTS

The Auditors' Report for the financial year ended March 31, 2017 does not contain any qualification, reservation, adverse remark or disclaimer.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s) including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Accordingly, pursuant to the provisions of Section 134(5) of the Act, your Directors, to the best of their knowledge and belief and according to information and explanation obtained by them, confirm that:

1. in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures;

2. they have selected such accounting policies and 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 ended March 31, 2017 and of the loss of the Company for that period;

3. they have taken proper and sufficient care 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;

4. they have prepared the annual financial statements on a going concern basis;

5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

6. they have devised systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on Management Discussion and Analysis, as required under the Regulation 34 of the Listing Regulations for the year under review is presented in a separate section, forming part of the Annual Report.

CORPORATE GOVERNANCE REPORT

A report on Corporate Governance appears after this Report. A certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, with regard to compliance of conditions of corporate governance, as specified in the Listing Regulations by the Company is annexed hereto and forms part of this Report.

The Company has complied with mandatory requirements of Corporate Governance prescribed under the Listing Regulations. The Company has also implemented some of the non-discretionary requirements as contained in Part E of Schedule II to the Listing Regulations.

During the second half of the year under review, there was a leadership change at Tata Sons (our Promoter) with Mr. Cyrus P. Mistry being replace as Executive Chairman of Tata Sons, Cyrus Investments Private Limited and Sterling Investment Corporation Private Limited (i.e., companies owned and controlled by Mr. Cyrus P. Mistry and his family) subsequently initiated proceedings against Tata Sons and other parties before the National Company Law Tribunal, Mumbai.

National Stock Exchange of India Ltd. (“NSE”) and BSE Ltd. (“BSE”) had sought clarifications on the letter purported to have been written by Mr. Cyrus Mistry in October 2016 to the Directors of Tata Sons Limited which was circulated in the media having specific statements on the financial status of various Tata group companies as well as other news articles published in media having some references in relation to the Company.

The Audit Committee of the Board reviewed the correspondence between the NSE/BSE and the Company, relevant press reports and past records. After due deliberations and review of relevant correspondence, the Audit Committee noted that the allegations and references made in relation to the Company in the said News Articles were vague and not based on facts. Therefore, the Audit Committee did not have any recommendations in this regard. The Audit Committee also expressed satisfaction that write downs and impairments were recorded by the Company from time to time and the Audit Committee was properly discharging its obligations under SEBI Regulations.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the assistance and support extended by the employees, shareholders, customers, financial institutions, banks, vendors, dealers, Department of Telecommunications, the Central and State Governments and others associated with the activities of the Company. We look forward to their continued support in future.

For and on behalf of the Board of Directors

Kishor A. Chaukar
Chairman
DIN:00033830

Place: Mumbai
Date: June 27, 2017

Annexure – IA to the Directors' Report
Company's Policy on Directors Appointment and Remuneration

The Company has formulated the criteria determining qualifications, positive attributes and independence of Director. The details of the same are as under:

1. Definition of Independence

- A director will be considered as an “independent director” if the person meets with the criteria for 'independent director' as laid down in the Act and Clause 49 (as may be applicable).

- The definition of Independence as provided in the Act and Clause 49 is as follows:

“An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives –

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the company; (additional provision as per Clause 49);

(f) who is not less than 21 years of age (additional provision as per Clause 49)."

- Current and ex-employees of a Tata company may be considered as independent only if he/she has or had no pecuniary relationship with any Tata company (due to employment/receipt of monthly pension by way of Special Retirement Benefits/holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

- Board will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that board have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ("NRC") consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- Independent Directors ("ID") ideally should be thought/practice leaders in their respective functions/domains.

3. Positive Attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1) "Act in accordance with the articles of the company.

2) Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.

4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.

6) Not assign his office."

Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

"An independent director shall:

1) uphold ethical standards of integrity and probity;

2) act objectively and constructively while exercising his duties;

3) exercise his responsibilities in a bona fide manner in the interest of the company;

4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

7) refrain from any action that would lead to loss of his independence;

8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

9) assist the company in implementing the best corporate governance practices."

For and on behalf of the Board of Directors

Kishor A. Chaukar
Chairman
DIN:00033830

Place: Mumbai
Date: June 27, 2017

Annexure – IB to the Directors' Report
Remuneration Policy

Further, the Company has also formulated a Remuneration Policy for the Directors, Key Managerial Personnel and other employees and the same is given hereunder:

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Teleservices (Maharashtra) Limited ("Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV)(B)(1) of the Equity Listing Agreement ("Listing Agreement"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non-executive directors**
    - o Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
    - o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
    - o Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
    - o Overall remuneration should be reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
    - o Overall remuneration practices should be consistent with recognized best practices.
    - o Quantum of sitting fees may be subject to review on a periodic basis, as required.
    - o The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
    - o The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
    - o In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

- **Remuneration for managing director ("MD")/executive directors ("ED")/ KMP/ rest of the employees**
    - o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
        - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
        - Driven by the role played by the individual,
        - Reflective of size of the company, complexity of the sector/industry/ company's operations and the company's capacity to pay,
        - Consistent with recognized best practices and
        - Aligned to any regulatory requirements.
    - o In terms of remuneration mix or composition,
        - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
        - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

- In addition to the basic/fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

- The company provides retirement benefits as applicable.

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of an annual incentive remuneration/performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:

    - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,

    - Industry benchmarks of remuneration,

    - Performance of the individual.

- The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

- **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

a) The services rendered are of a professional nature; and

b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

For and on behalf of the Board of Directors

Kishor A. Chaukar
Place: Mumbai | Chairman
Date: June 27, 2017 | DIN:00033830

Annexure – II to the Directors' Report
Annual Report on Corporate Social Responsibility (“CSR”) Activities

1. Brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken

As a member of the Tata Group, Corporate Social Responsibility is at the core of the Company. The Company's CSR policy upholds the ethos of the Tata Group's Sustainability (including CSR) Policy. The Company has designed its CSR policy based on Tata Group's focus areas.

Focus areas and key programmes are as under:

Promoting employability through Education, Skill development: The Company has provided soft skill trainings to the students of partnered NGOs, by designing and delivering of modules through identified employees who are subject matter experts. The Company also supports schools in multiple locations for delivering educational sessions on identified subjects. Other activities include Braille Book binding and book recording for children with visual disabilities, thereby supporting the NGOs working in the space of educating and empowering people with disabilities. NGOs working in the area of education and soft skill training for children, women, people with disability and youth from socially and economically disadvantaged background are selected through a rigorous screening process. In total, various initiatives of the Company touched the lives of 1,106 individuals.

Volunteering: The Company actively participates in Group Volunteering Programs: Tata Volunteering Week and Pro-engage (Short term focused projects with NGOs) through Prakriti club – the volunteering arm of the Company. The key focus areas of volunteering programmes are skill building and education. In total, 156 volunteering hours were spent on various volunteering initiatives.

Livelihood enhancement: The Company is committed to providing livelihood to youth from socially and economically disadvantaged background, thus enabling economic independence. The Company encourages women employment through its 'SIM Kitting Process' at the warehouses, currently employing 16 women (89% of the total workforce).

Promoting women empowerment, health and such social issues using business platform solutions: The Tata Group is supporting the historic UN endorsed, The Global Goals for Sustainable Development. The Company is supporting the cause by reaching out to its customers and employees to promote the

Goals through Twitter, Linked in, Facebook and Internal newsletters.

Focus on Environment: Given the nature of the telecommunication business, the Company focuses on monitoring their carbon footprint, leveraging green energy, and responsible management of waste through various initiatives. The carbon emission (TCO2e) per subscriber was 0.022 in the year 2016-17. The Company has continued with various energy saving measures including Save Energy Day initiative and reduced its electricity and diesel consumption translating into reduction of 6,578 TCO2e. Approximately 6,440 kg of e-waste was collected and disposed in an environment friendly manner.

Disaster Relief: This is a focus area at the Tata Group level. Employees from the Company volunteer towards relief work during natural calamities. In addition, the Company and its employees also contribute towards the Tata Relief Fund to support relief operations.

The weblink to the Company's CSR Policy is – https://www.tatateleservices.com/Downloads/ttml/Policy-on-Corporate-Social.pdf

Composition of CSR Committee
The CSR Committee for the Company comprises of the following Members:

Sr. No.	Name	Designation
1	Mr. Kishor A. Chaukar	Chairman of the Board
2	Mr. D. T. Joseph	Independent Director
3	Mr. N. Srinath	Managing Director

2. **Average net profit of the Company for last 3 financial years, prescribed CSR expenditure and details of CSR spent during the financial year**

The Company did not make profits in the past 3 financial years; hence it does not have any budgeted CSR expenditure. However, in keeping with the Tata Group's philosophy of giving back to the society, all the above initiatives are managed with internal resources.

For Tata Teleservices (Maharashtra) Limited

Mr. N. Srinath
Managing Director
DIN: 00058133

Mr. Kishor A. Chaukar
Chairman
DIN: 00033830

Place: Mumbai
Date: June 27, 2017

Annexure – III to the Directors' Report

Form No. AOC-2
(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   Tata Teleservices (Maharashtra) Limited (“TTML”) has not entered into any contact or arrangement or transaction with related parties which is not on arm's length during financial year 2016-17.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   (a) Name of the Related Party and nature of Relationship: Tata Teleservices Limited (“TTSL”) -Substantial interest in TTML and is Fellow Subsidiary.

   (b) Nature of contracts / arrangements / transactions: Refer Table - A below.

   (c) Duration of the contracts / arrangements / transactions: Refer Table - A below.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Refer Table - A below.

   (e) Date(s) of approval by the Board, if any: Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.

   (f) Amount paid in Advance, if any: Nil.

Table – A

Nature of contracts/ arrangements / transactions	**Duration of the contracts / arrangements / transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**
Roaming Income / Expenses	April 1, 2015 - March 31, 2018	TTML entered into agreement with all operators including TTSL to provide roaming services to customers. Contract Value: Inter Circle Roaming Expenses – Rs. 37 Crores p.a. (Value for FY 2016 -17 Rs. 22 Crores) Inter Circle Roaming Income – Rs. 32 Crores p.a. (Value for FY 2016-17 Rs.18 Crores)
Inter Usage Expenses (Carriage)	April 1, 2016 - March 31, 2018	TTML enters into interconnection agreement with all operators including TTSL as per licensing conditions. Contract Value: Rs. 92 Crores p.a. (Value for FY 2016-17 is Rs. 91 Crores)
Inter Usage Income / Expenses (Termination)	April 1, 2016 - March 31, 2018	These charges are prescribed by TRAI from time to time and are followed by all the telecom operators in India. Contract Value: Rs. 245 Crores p.a. (Value for FY 2016-17 Network Cost-Inter Usage Connectivity-Termination- Expenses Rs. 141 Crores, Income Rs. 37 Crores)
Purchase / Sale of Inventory / Used assets	April 1, 2016 - March 31, 2017	Procurement Contract allows needs based purchase / sale of Inventory/Used assets. Contract Value: Rs. 40 Crores p.a. (Value for FY 2016-17 Rs. 6 Crores)
Cost sharing of CSO Assets	August 11, 2007 - Open Ended	TTSL shares the CSO fixed assets with TTML without mark-up. Contract Value: NA (Value for FY 2016-17 Rs. 2 Cores)
Telecommunication Services	Open Ended	TTML is a telecom operator. It provides telecommunication services to various entities, including TTSL. Contract Value: NA (Value for FY 2016-17 Rs. 26 Crores)
Cost Sharing O & M bandwidth	October 1, 2008 - September 30, 2023	TTML has in place a “leasing of bandwidth agreement” dated October 25, 2007 with TTSL. The arrangement also requires TTML to maintain the fibre given to TTSL in Mumbai and Rest of Maharashtra and Goa. Contract Value: NA (Value for FY 2016-17 is Rs. 1 Crore)
Other Income (Lease Income & Related Expenses Recovery Turbhe)	April 1, 2016 - March 31, 2018	Lease Income: Based on Independent Valuation, 51,478 Sq.ft. Leased to TTSL for a consideration of Rs. 25.75 Lakhs of rent per month. Recovery of housekeeping & facilities expense: At Actual without mark-up. Contract Value: Rs. 6.18 Crores for rent (excluding taxes) and reimbursement of housekeeping, electricity and fuel charges etc. at actual. (Value for FY 2016-17 Rs. 3 Crores for rent and Rs. 8 Crores for other related expenses at actual)
Other Income (Lease Income & Related Expenses Recovery Pune) Addendum	August 1, 2014 - July 31, 2016 From August 1, 2016 to December 31, 2021	Lease Income: Based on the rates charged by landlord to TTML. 3,850 Sq.ft. Leased to TTSL for a consideration of Rs. 2.93 Lakhs of rent per month. Recovery of housekeeping & facilities expense: At Actual without mark-up. Contract Value: Rs. 1.89 Crores (excluding taxes) and reimbursement of housekeeping, electricity and fuel charges etc. at actual. (Value for FY 2016-17 Rs. 1 Crores including reimbursements)
Cost Sharing	April 1, 2015 - March 31, 2018	Sharing of common resources is based on "Various Ratios" without Mark-up. Contract Value: Rs. 120 Crores p.a. (Value for FY 2016-17 Rs.90 Crores)

For and on behalf of the Board of Directors

Kishor A. Chaukar
Chairman
DIN:00033830

Place: Mumbai
Date: June 27, 2017

Annexure – IV to the Directors' Report

The information required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Non-Executive Directors	Ratio to median remuneration
Mr. Kishor A. Chaukar	0.70
Mr. D. T. Joseph	0.98
Ms. Hiroo Mirchandani	0.56
Mr. Govind Sankaranarayanan	0.91
Prof. Ashok Jhunjhunwala (upto February 9, 2017)	0.31

Remuneration paid to the above Non–Executive Directors is by way of sitting fees only.

Managing Director	Ratio to median remuneration*
Mr. N Srinath	—

* The Managing Director does not draw any remuneration from the Company.

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2016-17:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. N. Srinath (Managing Director)*	N.A.
Mr. Kush S. Bhatnagar - Chief Financial Officer#	N.A.
Mr. Kiran Thacker - Company Secretary	7%

*Mr. N. Srinath does not draw any remuneration from the Company.
Appointed w.e.f. May 26, 2016.

c. The percentage increase in the median remuneration of employees in the financial year: 4.62%.
(Increase on Median remuneration has been taken for onroll employees as on March 31, 2017)

d. The number of permanent employees on rolls of Company: 910.

e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, annual increase of 6.11% was given to employees based on individual performance. The increase in remuneration was in line with the market median trends at various employee levels and roles. However, the Company Performance was factored in Performance Pay calculations paid to employees.

f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (“KMP”) in FY 2016-17 (Rs. in Crores)	0.94*
Revenue (Rs. in Crores)	2,761
Remuneration of KMPs (as % of Revenue)	0.034
Profit Before Tax (PBT) (Rs. in Crores)	(2,357)
Remuneration of KMP (as % of PBT)	N.A.#

* Mr. N. Srinath, Managing Director does not draw any remuneration from the Company.
# Since PBT is negative for the year.

g. Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2017	March 31, 2016	% Change
Market capitalization (Rs. in Crores)	1,397.77	1,290.25	8.33
Price Earning Ratio*	N.A.	N.A.	N.A.

* Earning Per Share is negative for the current financial year and previous financial year.

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2017	October 26, 2000 (IPO)	% Change*
Market Price (BSE)	7.20	12.00	(35.69)
Market Price (NSE)	7.15	12.00	(36.72)

* Adjusted for 2:15 bonus issue during the financial year 2013-14

i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase for the year was 6.11% in case of employees other than managerial personnel.

j. Comparison of each remuneration of the KMP against the performance of the Company:

	Mr. N. Srinath - Managing Director	Mr. Kush S. Bhatnagar Chief Financial Officer$	Mr. Kiran Thacker - Company Secretary
Remuneration in FY 2016-17 (Rs. in Crores)	Nil *	0.61	0.33
Revenue (Rs. in Crores)	2,761		
Remuneration as % of Revenue	Nil *	0.022	0.012
Profit before Tax (PBT) (Rs. in Crores)	(2,357)		
Remuneration (as % of PBT)	Nil *	NA#	NA#

* Mr. N. Srinath, Managing Director does not draw any remuneration from the Company.
$ Appointed w.e.f. May 26, 2016.
\# Since PBT is negative for the year.

k. The key parameters for any variable component of remuneration availed by the directors: None.

l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable. Managing Director does not draw any remuneration from the Company. Some of the Non–Executive Directors were paid sitting fees only. The remuneration drawn by the employees is not comparable with the sitting fees paid to Non–Executive Directors.

m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Kishor A. Chaukar
Chairman
DIN:00033830

Place: Mumbai
Date: June 27, 2017

Annexure – V to the Directors' Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	:	L64200MH1995PLC086354
ii	Registration Date	:	March 13, 1995
iii	Name of the Company	:	Tata Teleservices (Maharashtra) Limited
iv	• Category • Sub-Category of the Company	:	• Company limited by Shares • Indian Non-Government Company
v	Address of the Registered Office and contact details	:	Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai – 400 033 Tel. : 91 22 6667 1414.: Fax: 91 22 6660 5335 Email: investor.relations@tatatel.co.in
vi	Whether listed company	:	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Wired telecommunications activities	611	35.7%
2	Wireless telecommunications activities	612	64.3%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Tata Sons Limited Address:Bombay House, 24, Homy Modi Street, Mumbai – 400001	U99999MH1917PLC000478	Holding Company	19.58%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2016)				No. of Shares held at the end of the year (as on March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoters & Promoter Group**									
1)	**Indian**									
a	Individual / HUF	0	0	0	0.00	0	0	0	0	0.00
b	Central Govt.	0	0	0	0.00	0	0	0	0	0.00
c	State Govt.(s)	0	0	0	0.00	0	0	0	0	0.00
d	Bodies Corporate	1234358382	0	1234358382	63.14	1233697483	0	1233697483	63.11	(0.03)
e	Banks / FIs	0	0	0	0.00	0	0	0	0	0.00
f	Any Other	0	0	0	0.00	0	0	0	0	0.00
Sub - Total (A) (1)		**1234358382**	**0**	**1234358382**	**63.14**	**1233697483**	**0**	**1233697483**	**63.11**	**(0.03)**
2)	**Foreign**									
a	NRIs / Individuals	0	0	0	0.00	0	0	0	0	0.00
b	Other – Individuals	0	0	0	0.00	0	0	0	0	0.00
c	Bodies Corporate	229856926	0	229856926	11.76	229856926	0	229856926	11.76	0.00
d	Banks / FIs	0	0	0	0.00	0	0	0	0	0.00
e	Any Other	0	0	0	0.00	0	0	0	0	0.00
Sub - Total (A) (2)		**229856926**	**0**	**229856926**	**11.76**	**229856926**	**0**	**229856926**	**11.76**	**0.00**
Total Shareholding of Promoters & Promoter Group (A) = (A) (1) + (A) (2)		**1464215308**	**0**	**1464215308**	**74.90**	**1463554409**	**0**	**1463554409**	**74.86**	**(0.03)**
B	**Public Shareholding**									
1)	**Institutions**									
a	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b	Banks / FIs	1766696	0	1766696	0.09	536807	0.00	536807	0.03	(0.06)
c	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d	State Govt.	44199	0	44199	0.00	44199	0	44199	0.00	0.00
e	Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f	Insurance Companies	935000	0	935000	0.05	370000	0	370000	0.02	(0.03)
g	FIIs	652265	0	652265	0.03	0	0	0	0.00	(0.03)
h	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
j	Others (please specify)									
j-i	Foreign Portfolio Investors (Corporate)	9827373	0	9827373	0.50	8827091	0	8827091	0.45	(0.05)
j-ii	Foreign Bodies	4180	0	4180	0.00	4180	0	4180	0.00	0.00
j-iii	NRIs									
j-iii-a	Individual shareholding nominal shares upto Rs. 1 Lakh	3217690	33297	3250987	0.17	3303694	33297	3336991	0.17	0.00
j-iii-b	Individual shareholding nominal shares in excess of Rs.1 lakh	8742229	0	8742229	0.45	9734551	0	9734551	0.50	0.05
Sub – total (B) (1)		**25189632**	**33297**	**25222929**	**1.29**	**22820522**	**33297**	**22853819**	**1.17**	**(0.12)**
2)	**Non - Institutions**									
a	**Bodies Corporate**									
(i)	Indian	43735988	4078	43740066	2.24	47696262	4078	47700340	2.44	0.20
(ii)	Overseas	1133	0	1133	0	1133	0	1133	0	0.00
b	**Individuals**									
(i)	Individual shareholders having nominal share capital upto Rs. 1 Lakh	261442014	2892051	264334065	13.52	257131392	2869834	260001226	13.30	(0.22)

(ii)	Individual shareholders having nominal share capital in excess of Rs. 1 Lakh	157265264	37533	157302797	8.05	160764414	11333	160775747	8.22	0.18
c	**Others (please specify)**									
c.i	Trusts	103003	0	103003	0.01	41053	0	41053	0.00	(0.01)
c.ii	Directors & their relatives	8426	0	8426	0.00	0	0	0	0.00	0.00
Sub – total (B) (2)		462555828	2933662	465489490	23.81	465634254	2885245	468519499	23.97	0.15
Total Public Shareholding (B) = (B) (1) + (B) (2)		**487745460**	**2966959**	**490712419**	**25.10**	**488454776**	**2918542**	**491373318**	**25.14**	**0.03**
Grand Total (A + B + C)		**1951960768**	**2966959**	**1954927727**	**100.00**	**1952009185**	**2918542**	**1954927727**	**100.00**	**0.00**

(ii) Shareholding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016)			Shareholding at the end of the year (as on March 31, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Tata Teleservices Limited (Promoter)	714317891	36.54	26.00	714317891	36.54	26.00	0.00
2	The Tata Power Company Limited *	137263174	7.02	0.00	136602275	6.99	0.00	(0.03)
3	Tata Sons Limited (Promoter)	382759467	19.58	0.00	382759467	19.58	0.00	0.00
4	Panatone Finvest Limited *	17850	0.00	0.00	17850	0.00	0.00	0.00
5	NTT DOCOMO INC. (Another Promoter)	229856926	11.76	0.00	229856926	11.76	0.00	0.00
	Total	**1464215308**	**74.90**	**26.00**	**1463554409**	**74.86**	**26.00**	**(0.03)**

* Part of Promoter Group

(iii) Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on April 1, 2016)		Date	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% to total shares of the Company			No. of Shares	% to total shares of the Company	No. of Shares	% to total shares of the Company
1	Tata Teleservices Limited (Promoter)	714317891	36.54					714317891	36.54
					No change	0	0.00	714317891	36.54
				31.03.2017	At the end of the year			714317891	36.54
2	The Tata Power Company Limited *	137263174	7.02					137263174	7.02
				24.03.2017	Decrease	(660899)	(0.03)	136602275	6.99
				31.03.2017	At the end of the year			136602275	6.99
3	Tata Sons Limited (Promoter)	382759467	19.58					382759467	19.58
					No change	0	0.00	382759467	19.58
				31.03.2017	At the end of the year			382759467	19.58
4	Panatone Finvest Limited *	17850	0.00					17850	0.00
					No change			17850	0.00
				31.03.2017	At the end of the year			17850	0.00
5	NTT DOCOMO INC. (Another Promoter)	229856926	11.76					229856926	11.76
					No change			229856926	11.76
				31.03.2017	At the end of the year			229856926	11.76

* Part of Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	PAN	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares /Decrease in Shareholding		Cumulative Shares during the year	
			No. of Shares	% to total shares of the Company			No. of Shares	% to total shares of the Company	No of Shares	% to total shares of the Company
1	AAATD7768G	The Emerging Markets	4,512,759	0.23					4,512,759	0.23
		Small Cap Series Of The DFA			-	No Change	0	0.00	4,512,759	
		Investment Trust Company			31.03.2017	At the end of the year	-	-	4,512,759	0.23
2	AACCD1644G	Emerging Markets Core Equity	3,418,263	0.17					3,418,263	0.17
		Portfolio (The Portfolio) Of DFA			-	No Change	0	0.00	3,418,263	0.17
		Investment Dimensions Group Inc			31.03.2017	At the end of the year	-	-	3,418,263	0.17
		(DFAIDG)								
3	AAZPL8375Q	C Loganathan	1,893,462	0.10					1,893,462	0.10
					-	No Change	0	0.00	1,893,462	0.10
					31.03.2017	At the end of the year	-	-	1,893,462	0.10
4	AABCI5580K	Il And Fs Securities Services Ltd	1,528,494	0.08			1,528,494	-	1,528,494	0.08
					01.04.2016	Purchase of shares	5,800	0.00	1,534,294	0.08
					08.042016	Sale of shares	-153,332	0.00	1,380,962	0.07
					15.04.2016	Purchase of shares	34,990	0.00	1,415,952	0.07
					22.04.2016	Purchase of shares	162,510	0.01	1,578,462	0.08
					29.04.2016	Purchase of shares	16,055	0.00	1,594,517	0.08
					06.05.2016	Sale of shares	-242,756	-0.01	1,351,761	0.07
					13.05.2016	Purchase of shares	31,471	0.00	1,383,232	0.07
					20.05.2016	Purchase of shares	687,165	0.04	2,070,397	0.11
					27.05.2016	Purchase of shares	26,266	0.00	2,096,663	0.11
					03.06.2016	Purchase of shares	94,277	0.00	2,190,940	0.11
					10.06.2016	Purchase of shares	455,334	0.02	2,646,274	0.14
					17.06.2016	Purchase of shares	71,260	0.00	2,717,534	0.14
					24.06.2016	Sale of shares	-1,041,829	-0.05	1,675,705	0.09
					30.06.2016	Sale of shares	-24,914	0.00	1,650,791	0.08
					08.07.2016	Purchase of shares	498,008	0.03	2,148,799	0.11
					15.07.2016	Sale of shares	-138,244	-0.01	2,010,555	0.10
					22.07.2016	Purchase of shares	409,788	0.02	2,420,343	0.12
					29.07.2016	Purchase of shares	66	0.00	2,420,409	0.12
					29.07.2016	Sale of shares	-16,814	0.00	2,403,595	0.12
					05.08.2016	Sale of shares	-128,866	-0.01	2,274,729	0.12
					12.08.2016	Purchase of shares	69,538	0.00	2,344,267	0.12
					12.08.2016	Sale of shares	-39,154	0.00	2,305,113	0.12
					19.08.2016	Sale of shares	-15,511	0.00	2,289,602	0.12
					26.08.2016	Sale of shares	-7,567	0.00	2,282,035	0.12
					02.09.2016	Sale of shares	-164,374	-0.01	2,117,661	0.11
					09.09.2016	Sale of shares	-93,977	0.00	2,023,684	0.10
					16.09.2016	Purchase of shares	102,735	0.01	2,126,419	0.11
					23.09.2016	Sale of shares	-49,241	0.00	2,077,178	0.11
					30.09.2016	Purchase of shares	28,973	0.00	2,106,151	0.11
					07.10.2016	Sale of shares	-41,653	0.00	2,064,498	0.11
					14.10.2016	Purchase of shares	22,348	0.00	2,086,846	0.11
					21.10.2016	Purchase of shares	39,520	0.00	2,126,366	0.11
					28.10.2016	Purchase of shares	150	0.00	2,126,516	0.11
					28.10.2016	Sale of shares	-27,740	0.00	2,098,776	0.11
					04.11.2016	Purchase of shares	177,937	0.01	2,276,713	0.12
					04.11.2016	Sale of shares	-150	0.00	2,276,563	0.12
					11.11.2016	Purchase of shares	149,141	0.01	2,425,704	0.12
					18.11.2016	Sale of shares	-34,564	0.00	2,391,140	0.12
					25.11.2016	Purchase of shares	42,382	0.00	2,433,522	0.12
					02.12.2016	Sale of shares	-63,700	0.00	2,369,822	0.12
					09.12.2016	Purchase of shares	40,653	0.00	2,410,475	0.12
					16.12.2016	Sale of shares	-15,572	0.00	2,394,903	0.12
					23.12.2016	Sale of shares	-89,088	0.00	2,305,815	0.12
					31.12.2016	Sale of shares	-59,681	0.00	2,246,134	0.11
					06.01.2017	Purchase of shares	7,415	0.00	2,253,549	0.12
					13.01.2017	Sale of shares	-459	0.00	2,253,090	0.12
					20.01.2017	Purchase of shares	11,008	0.00	2,264,098	0.12
					27.01.2017	Purchase of shares	17,837	0.00	2,281,935	0.12
					03.02.2017	Purchase of shares	3,115	0.00	2,285,050	0.12
					03.02.2017	Sale of shares	-79,870	0.00	2,205,180	0.11

Sr. No.	PAN	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares /Decrease in Shareholding		Cumulative Shares during the year	
			No. of Shares	% to total shares of the Company			No. of Shares	% to total shares of the Company	No of Shares	% to total shares of the Company
					10.02.2017	Purchase of shares	248,291	0.01	2,453,471	0.13
					10.02.2017	Sale of share	-849	0.00	2,452,622	0.13
					17.02.2017	Sale of share	-80,664	0.00	2,371,958	0.12
					24.02.2017	Sale of share	-32,604	0.00	2,339,354	0.12
					03.03.2017	Purchase of shares	2,000	0.00	2,341,354	0.12
					03.03.2017	Sale of share	-243,195	-0.01	2,098,159	0.11
					10.03.2017	Purchase of shares	239,429	0.01	2,337,588	0.12
					10.03.2017	Sale of shares	-2,000	0.00	2,335,588	0.12
					17.03.2017	Sale of shares	-2,818	0.00	2,332,770	0.12
					24.03.2017	Sale of shares	-334,754	-0.02	1,998,016	0.10
					31.03.2017	Sale of shares	-207,978	-0.01	1,790,038	0.09
					31.03.2017	Purchase of shares	158,793	0.01	1,948,831	0.10
					31.03.2017	At the end of the year	-	-	1,948,831	0.10
5	AACCA2570L	Abinandan Holdings Private Limited	1,613,333	0.08					1,613,333	0.08
					-	No Change	0	0.00	1,613,333	0.08
					31.03.2017	At the end of the year	-	-	1,613,333	0.08
6	AAACM6094R	Angel Broking	630,159	0.03			630,159	-	630,159	0.03
					01.04.2016	Sale of shares	-53	0.00	630,106	0.03
					01.04.2016	Purchase of shares	1,201	0.00	631,307	0.03
					08.04.2016	Sale of shares	-205,118	-0.01	426,189	0.02
					08.04.2016	Purchase of shares	8,045	0.00	434,234	0.02
					15.04.2016	Sale of shares	-24,354	0.00	409,880	0.02
					15.04.2016	Purchase of shares	18,846	0.00	428,726	0.02
					22.04.2016	Sale of shares	-19,865	0.00	408,861	0.02
					22.04.2016	Purchase of shares	14,924	0.01	423,785	0.08
					29.04.2016	Sale of shares	-59,668	0.00	364,117	0.02
					29.04.2016	Purchase of shares	23,828	0.00	387,945	0.02
					06.05.2016	Sale of shares	-50,950	0.00	336,995	0.02
					06.05.2016	Purchase of shares	33,124	0.00	370,119	0.02
					13.05.2016	Sale of shares	-30,761	0.00	339,358	0.02
					13.05.2016	Purchase of shares	8,988	0.00	348,346	0.02
					20.05.2016	Sale of shares	-13,709	0.00	334,637	0.02
					20.05.2016	Purchase of shares	50,071	0.00	384,708	0.02
					27.05.2016	Sale of shares	-17,814	0.00	366,894	0.02
					27.052016	Purchase of shares	30,865	0.00	397,759	0.02
					03.06.2016	Sale of shares	-24,341	0.00	373,418	0.02
					03.06.2016	Purchase of shares	22,686	0.00	396,104	0.02
					10.06.2016	Sale of shares	-10,584	0.00	385,520	0.02
					10.06.2016	Purchase of shares	28,117	0.00	413,637	0.02
					17.06.2016	Sale of shares	-25,298	0.00	388,339	0.02
					17.06.2016	Purchase of shares	53,251	0.00	441,590	0.02
					24.06.2016	Sale of shares	-14,208	0.00	427,382	0.02
					24.06.2016	Purchase of shares	223,616	0.01	650,998	0.03
					30.06.2016	Sale of shares	-136,653	-0.01	514,345	0.03
					30.06.2016	Purchase of shares	63,620	0.00	577,965	0.03
					01.07.2016	Sale of shares	-42,502	0.00	535,463	0.03
					01.07.2016	Purchase of shares	28,496	0.00	563,959	0.03
					08.07.2016	Sale of shares	-17,090	0.00	546,869	0.03
					08.07.2016	Purchase of shares	218,952	0.01	765,821	0.04
					15.07.2016	Sale of shares	-14,093	0.00	751,728	0.04
					15.07.2016	Purchase of shares	104,865	0.01	856,593	0.04
					22.07.2016	Sale of shares	-32,962	0.00	823,631	0.04
					22.07.2016	Purchase of shares	22,011	0.00	845,642	0.04
					29.07.2016	Sale of shares	-153,620	-0.01	692,022	0.04
					29.07.2016	Purchase of shares	136,387	0.01	828,409	0.04
					05.08.2016	Sale of shares	-23,913	0.00	804,496	0.04
					05.08.2016	Purchase of shares	20,343	0.00	824,839	0.04
					12.08.2016	Sale of shares	-122,547	-0.01	702,292	0.04
					12.08.2016	Purchase of shares	156,811	0.01	859,103	0.04
					19.08.2016	Sale of shares	-70,983	0.00	788,120	0.04
					19.08.2016	Purchase of shares	11,231	0.00	799,351	0.04
					20.08.2016	Purchase of shares	340	0.00	799,691	0.04

Sr. No.	PAN	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares /Decrease in Shareholding		Cumulative Shares during the year	
			No. of Shares	% to total shares of the Company			No. of Shares	% to total shares of the Company	No of Shares	% to total shares of the Company
					26.08.2016	Sale of shares	-145,197	-0.01	654,494	0.03
					26.08.2016	Purchase of shares	67,107	0.00	721,601	0.04
					02.09.2016	Sale of shares	-30,932	0.00	690,669	0.04
					02.09.2016	Purchase of shares	73,421	0.00	764,090	0.04
					09.09.2016	Sale of shares	-44,767	0.00	719,323	0.04
					09.09.2016	Purchase of shares	22,161	0.00	741,484	0.04
					16.09.2016	Sale of shares	-35,914	0.00	705,570	0.04
					16.09.2016	Purchase of shares	168,783	0.01	874,353	0.04
					23.09.2016	Sale of shares	-391,368	-0.02	482,985	0.02
					23.09.2016	Purchase of shares	243,587	0.01	726,572	0.04
					30.09.2016	Sale of shares	-307,206	-0.02	419,366	0.02
					30.09.2016	Purchase of shares	33,938	0.00	453,304	0.02
					07.10.2016	Sale of shares	-74,893	0.00	378,411	0.02
					07.10.2016	Purchase of shares	34,203	0.00	412,614	0.02
					14.10.2016	Sale of shares	-58,895	0.00	353,719	0.02
					14.10.2016	Purchase of shares	26,954	0.00	380,673	0.02
					21.10.2016	Sale of shares	-48,957	0.00	331,716	0.02
					21.10.2016	Purchase of shares	6,308	0.00	338,024	0.02
					28.10.2016	Purchase of shares	157,982	0.01	496,006	0.03
					04.11.2016	Sale of shares	-21,285	0.00	474,721	0.02
					04.11.2016	Purchase of shares	141,419	0.01	616,140	0.03
					11.11.2016	Sale of shares	-93,026	0.00	523,114	0.03
					11.11.2016	Purchase of shares	22,066	0.00	545,180	0.03
					18.11.2016	Sale of shares	-38,980	0.00	506,200	0.03
					18.11.2016	Purchase of shares	38,642	0.00	544,842	0.03
					25.11.2016	Sale of shares	-14,247	0.00	530,595	0.03
					25.11.2016	Purchase of shares	205,293	0.01	735,888	0.04
					02.12.2016	Sale of shares	-290,614	-0.01	445,274	0.02
					02.12.2016	Purchase of shares	207,275	0.01	652,549	0.03
					09.12.2016	Sale of shares	-107,869	-0.01	544,680	0.03
					09.12.2016	Purchase of shares	9,069	0.00	553,749	0.03
					16.12.2016	Sale of shares	-103,024	-0.01	450,725	0.02
					16.12.2016	Purchase of shares	12,841	0.00	463,566	0.02
					23.12.2016	Sale of shares	-22,833	0.00	440,733	0.02
					23.12.2016	Purchase of shares	19,641	0.00	460,374	0.02
					31.12.2016	Sale of shares	-51,875	0.00	408,499	0.02
					31.12.2016	Purchase of shares	177,880	0.01	586,379	0.03
					06.01.2017	Sale of shares	-149,832	-0.01	436,547	0.02
					06.01.2017	Purchase of shares	32,433	0.00	468,980	0.02
					13.01.2017	Sale of shares	-62,852	0.00	406,128	0.02
					13.01.2017	Purchase of shares	48,951	0.00	455,079	0.02
					20.01.2017	Sale of shares	-74,253	0.00	380,826	0.02
					20.01.2017	Purchase of shares	29,654	0.00	410,480	0.02
					27.01.2017	Sale of shares	-17,638	0.00	392,842	0.02
					27.01.2017	Purchase of shares	96,628	0.00	489,470	0.03
					03.02.2017	Sale of shares	-120,809	-0.01	368,661	0.02
					03.02.2017	Purchase of shares	287,851	0.01	656,512	0.03
					10.02.2017	Sale of shares	-270,806	-0.01	385,706	0.02
					10.02.2017	Purchase of shares	146,308	0.01	532,014	0.03
					17.02.2017	Sale of shares	-120,448	-0.01	411,566	0.02
					17.02.2017	Purchase of shares	382,233	0.02	793,799	0.04
					24.02.2017	Sale of shares	-150,256	-0.01	643,543	0.03
					24.02.2017	Purchase of shares	190,328	0.01	833,871	0.04
					03.03.2017	Sale of shares	-175,864	-0.01	658,007	0.03
					03.03.2017	Purchase of shares	1,120,641	0.06	1,778,648	0.09
					10.03.2017	Sale of shares	-454,434	-0.02	1,324,214	0.07
					10.03.2017	Purchase of shares	451,927	0.02	1,776,141	0.09
					17.03.2017	Sale of shares	-337,078	-0.02	1,439,063	0.07
					17.03.2017	Purchase of shares	179,266	0.01	1,618,329	0.08
					24.03.2017	Sale of shares	-165,208	-0.01	1,453,121	0.07
					24.03.2017	Purchase of shares	60,887	0.00	1,514,008	0.08

Sr. No.	PAN	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares /Decrease in Shareholding		Cumulative Shares during the year	
			No. of Shares	% to total shares of the Company			No. of Shares	% to total shares of the Company	No of Shares	% to total shares of the Company
					31.03.2017	Sale of shares	-536,740	-0.03	977,268	0.05
					31.03.2017	Purchase of shares	627,047	0.03	1,604,315	0.08
					31.03.2017	At the end of the year			1,604,315	0.08
7	AAACS6183R	Eco Recycling Limited	1,500,009	0.08					1,500,009	0.08
					15.07.2016	Purchase of shares	99,397	0.01	1,599,406	0.08
					28.10.2016	Sale of shares	-50,000	0.00	1,549,406	0.08
					04.11.2016	Purchase of shares	25,000	0.00	1,574,406	0.08
					31.03.2017	At the end of the year	-	-	1,574,406	0.08
8	ABIPP2042A	Bhavana Rajesh Parekh	1,178,774	0.06			1,178,774	0.06	1,178,774	0.06
					16.12.2016	Purchase of shares	325,000	0.02	1,503,774	0.08
					31.03.2017	At the end of the year	-	-	1,503,774	0.08
9	AABCK5190K	Karvy Stock Broking Ltd	855,601	0.04			855,601	0.04	855,601	0.04
					01.04.2016	Sale of shares	-9,476	0.00	846,125	0.04
					01.04.2016	Purchase of shares	10,025	0.00	856,150	0.04
					08.04.2016	Sale of shares	-15,028	0.00	841,122	0.04
					08.04.2016	Purchase of shares	8,368	0.00	849,490	0.04
					15.04.2016	Sale of shares	-2,729	0.00	846,761	0.04
					15.04.2016	Purchase of shares	3,850	0.00	850,611	0.04
					22.04.2016	Sale of shares	-5,705	0.00	844,906	0.04
					22.04.2016	Purchase of shares	34,406	0.00	879,312	0.04
					29.04.2016	Sale of shares	-11,229	0.00	868,083	0.04
					29.04.2016	Purchase of shares	17,529	0.00	885,612	0.05
					06.05.2016	Sale of shares	-16,797	0.00	868,815	0.04
					06.05.2016	Purchase of shares	72,139	0.00	940,954	0.05
					13.05.2016	Sale of shares	-5,243	0.00	935,711	0.05
					13.05.2016	Purchase of shares	26,957	0.00	962,668	0.05
					20.05.2016	Sale of shares	-9,149	0.00	953,519	0.05
					20.05.2016	Purchase of shares	11	0.00	953,530	0.05
					27.05.2016	Sale of shares	-72,695	0.00	880,835	0.05
					27.05.2016	Purchase of shares	16,101	0.00	896,936	0.05
					03.06.2016	Sale of shares	-10,339	0.00	886,597	0.05
					03.06.2016	Purchase of shares	7,123	0.00	893,720	0.05
					10.06.2016	Sale of shares	-467	0.00	893,253	0.05
					10.06.2016	Purchase of shares	15,590	0.00	908,843	0.05
					17.06.2016	Sale of shares	-107,189	-0.01	801,654	0.04
					17.06.2016	Purchase of shares	10,384	0.00	812,038	0.04
					24.06.2016	Sale of shares	-18,839	0.00	793,199	0.04
					24.06.2016	Purchase of shares	14,699	0.00	807,898	0.04
					25.06.2016	Purchase of shares	2,832	0.00	810,730	0.04
					30.06.2016	Sale of shares	-27,621	0.00	783,109	0.04
					30.06.2016	Purchase of shares	31,275	0.00	814,384	0.04
					01.07.2016	Sale of shares	-25,018	0.00	789,366	0.04
					01.07.2016	Purchase of shares	184	0.00	789,550	0.04
					08.07.2016	Sale of shares	-22,669	0.00	766,881	0.04
					15.07.2016	Sale of shares	-1,921	0.00	764,960	0.04
					15.07.2016	Purchase of shares	25,024	0.00	789,984	0.04
					22.07.2016	Sale of shares	-5,500	0.00	784,484	0.04
					22.07.2016	Purchase of shares	15,056	0.00	799,540	0.04
					29.07.2016	Purchase of shares	51,819	0.00	851,359	0.04
					05.08.2016	Sale of shares	-13,745	0.00	837,614	0.04
					05.08.2016	Purchase of shares	6,600	0.00	844,214	0.04
					12.08.2016	Sale of shares	-1,429	0.00	842,785	0.04
					12.08.2016	Purchase of shares	32,696	0.00	875,481	0.04
					19.08.2016	Sale of shares	-28,930	0.00	846,551	0.04
					19.08.2016	Purchase of shares	19,818	0.00	866,369	0.04
					26.08.2016	Sale of shares	-3,976	0.00	862,393	0.04
					26.08.2016	Purchase of shares	1,020	0.00	863,413	0.04
					02.09.2016	Sale of shares	-8,355	0.00	855,058	0.04
					02.09.2016	Purchase of shares	26,588	0.00	881,646	0.05
					09.09.2016	Sale of shares	-17,562	0.00	864,084	0.04
					09.09.2016	Purchase of shares	25,489	0.00	889,573	0.05
					16.09.2016	Sale of shares	-33,675	0.00	855,898	0.04

Sr. No.	PAN	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares /Decrease in Shareholding		Cumulative Shares during the year	
			No. of Shares	% to total shares of the Company			No. of Shares	% to total shares of the Company	No of Shares	% to total shares of the Company
					16.09.2016	Purchase of shares	25,650	0.00	881,548	0.05
					23.09.2016	Sale of shares	-1,780	0.00	879,768	0.05
					23.09.2016	Purchase of shares	20,729	0.00	900,497	0.05
					30.09.2016	Sale of shares	-2,996	0.00	897,501	0.05
					30.09.2016	Purchase of shares	32,101	0.00	929,602	0.05
					07.10.2016	Sale of shares	-12,692	0.00	916,910	0.05
					07.10.2016	Purchase of shares	2,704	0.00	919,614	0.05
					14.10.2016	Sale of shares	-860	0.00	918,754	0.05
					14.10.2016	Purchase of shares	15,858	0.00	934,612	0.05
					21.10.2016	Sale of shares	-6,075	0.00	928,537	0.05
					21.10.2016	Purchase of shares	11,375	0.00	939,912	0.05
					28.10.2016	Sale of shares	-18,783	0.00	921,129	0.05
					28.10.2016	Purchase of shares	45,311	0.00	966,440	0.05
					04.11.2016	Sale of shares	-16,662	0.00	949,778	0.05
					04.11.2016	Purchase of shares	46,726	0.00	996,504	0.05
					11.11.2016	Sale of shares	-99,955	-0.01	896,549	0.05
					11.11.2016	Purchase of shares	3,809	0.00	900,358	0.05
					18.11.2016	Sale of shares	-4,801	0.00	895,557	0.05
					18.11.2016	Purchase of shares	34,715	0.00	930,272	0.05
					25.11.2016	Sale of shares	-71,541	0.00	858,731	0.04
					25.11.2016	Purchase of shares	1,815	0.00	860,546	0.04
					02.12.2016	Sale of shares	-15,579	0.00	844,967	0.04
					02.12.2016	Purchase of shares	1,955	0.00	846,922	0.04
					09.12.2016	Sale of shares	-6,422	0.00	840,500	0.04
					09.12.2016	Purchase of shares	10,481	0.00	850,981	0.04
					16.12.2016	Sale of shares	-13,990	0.00	836,991	0.04
					16.12.2016	Purchase of shares	20,094	0.00	857,085	0.04
					23.12.2016	Sale of shares	-8,661	0.00	848,424	0.04
					23.12.2016	Purchase of shares	167,573	0.01	1,015,997	0.05
					31.12.2016	Sale of shares	-19,008	0.00	996,989	0.05
					31.12.2016	Purchase of shares	9,592	0.00	1,006,581	0.05
					06.01.2017	Sale of shares	-1,261	0.00	1,005,320	0.05
					06.01.2017	Purchase of shares	22,843	0.00	1,028,163	0.05
					13.01.2017	Sale of shares	-2,196	0.00	1,025,967	0.05
					13.01.2017	Purchase of shares	822	0.00	1,026,789	0.05
					20.01.2017	Sale of shares	-249	0.00	1,026,540	0.05
					20.01.2017	Purchase of shares	4,866	0.00	1,031,406	0.05
					27.01.2017	Sale of shares	-7,555	0.00	1,023,851	0.05
					27.01.2017	Purchase of shares	4,852	0.00	1,028,703	0.05
					03.02.2017	Sale of shares	-27,032	0.00	1,001,671	0.05
					03.02.2017	Purchase of shares	21,210	0.00	1,022,881	0.05
					10.02.2017	Sale of shares	-20,118	0.00	1,002,763	0.05
					10.02.2017	Purchase of shares	4,830	0.00	1,007,593	0.05
					17.02.2017	Sale of shares	-7,835	0.00	999,758	0.05
					17.02.2017	Purchase of shares	29,509	0.00	1,029,267	0.05
					24.02.2017	Sale of shares	-3,796	0.00	1,025,471	0.05
					24.02.2017	Purchase of shares	115,605	0.01	1,141,076	0.06
					03.03.2017	Sale of shares	-121,250	-0.01	1,019,826	0.05
					03.03.2017	Purchase of shares	575,627	0.03	1,595,453	0.08
					10.03.2017	Sale of shares	-330,035	-0.02	1,265,418	0.06
					10.03.2017	Purchase of shares	332,931	0.02	1,598,349	0.08
					17.03.2017	Sale of shares	-110,459	-0.01	1,487,890	0.08
					17.03.2017	Purchase of shares	49,231	0.00	1,537,121	0.08
					24.03.2017	Sale of shares	-82,774	0.00	1,454,347	0.07
					24.03.2017	Purchase of shares	83,134	0.00	1,537,481	0.08
					31.03.2017	Sale of shares	-122,753	-0.01	1,414,728	0.07
					31.03.2017	Purchase of shares	3,848	0.00	1,418,576	0.07
					31.03.2017	At the end of the year	1,418,576	-	1,418,576	0.07
10	AABPL9618G	Dilipkumar Lakhi	1,260,979	0.06					1,260,979	0.06
					-	No Change	0	0.00	1,260,979	0.06
					31.03.2017	At the end of the year	-	-	1,260,979	0.06

Sr. No.	PAN	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares /Decrease in Shareholding		Cumulative Shares during the year	
			No. of Shares	% to total shares of the Company			No. of Shares	% to total shares of the Company	No of Shares	% to total shares of the Company
11	ABTPN9257E	Jincy Narendran	1,335,000	0.07					1,335,000	0.07
					10..03.2017	Sale of shares	-235,000	-0.01	1,100,000	0.06
					31.03.2017	At the end of the year	-	-	1,100,000	0.06
12	AAAPT8985B	Jayakrishna Taparia	1,450,000	0.07					1,450,000	0.07
					30.09.2016	Sale of shares	-200,000	-0.01	1,250,000	0.06
					27.01.2017	Sale of shares	-750,000	-0.04	500,000	0.03
					31.03.2017	At the end of the year	-	-	500,000	0.03
13	AAACQ3159M	Quant Capital Securities Private Ltd	1,359,375	0.07					1,359,375	0.07
					29.04.2016	Sale of shares	-149,900	-0.01	1,209,475	0.06
					27.05.2016	Sale of shares	-51,079	0.00	1,158,396	0.06
					29.07.2016	Sale of shares	-19,802	0.00	1,138,594	0.06
					28.10.2016	Sale of shares	-1,138,594	-0.06	0	0.00
					31.03.2017	At the end of the year	-	-	0	0.00
14	AAFCG0345N	Goldman Sachs (Singapore) Pte	1,249,174	0.06					1,249,174	0.06
					08.04.2016	Sale of shares	-26,092	0.00	1,223,082	0.06
					15.04.2016	Sale of shares	-51,971	0.00	1,171,111	0.06
					22.04.2016	Sale of shares	-119,020	-0.01	1,052,091	0.05
					29.04.2016	Sale of shares	-62,803	0.00	989,288	0.05
					06.05.2016	Sale of shares	-113,387	-0.01	875,901	0.04
					13.05.2016	Sale of shares	-45,446	0.00	830,455	0.04
					24.06.2016	Sale of shares	-141,027	-0.01	689,428	0.04
					14.10.2016	Sale of shares	-239,420	-0.01	450,008	0.02
					21.10.2016	Sale of shares	-114,817	-0.01	335,191	0.02
					28.10.2016	Sale of shares	-128,632	-0.01	206,559	0.01
					23.12.2016	Sale of shares	-53,541	0.00	153,018	0.01
					31.12.2016	Sale of shares	-71,970	0.00	81,048	0.00
					20.01.2017	Sale of shares	-81,048	0.00	71,970	0.00
					31.03.2017	At the end of the year	-	-	71,970	0.00
15	AAIPJ8212B	Brij Nath Jain	1,162,100	0.06					1,162,100	0.06
					09.09.2016	Sale of shares	-1,122,100	0.00	40,000	0.00
					14.10.2016	Sale of shares	-40,000	0.00	0	0.00
					31.03.2017	At the end of the year	-	-	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on April 1, 2016)		Cumulative Shareholding during the year	
		No. of Shares	% to total shares of the Company	No. of Shares	% to total of the Company
1	**Mr. Kishor A. Chaukar (Chairman)**				
	At the beginning of the year	0	0.00	0	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
2	**Mr. D. T. Joseph (Independent Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
3	**Ms. Hiroo Mirchandani (Independent Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
4	**Mr. Govind Sankaranarayanan (Non-Executive Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
5	**Mr. N. Srinath (Managing Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
6	**Mr. Kiran Thacker (Company Secretary)**				
	At the beginning of the year	226	0.00	226	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	226	0.00	226	0.00
7	**Mr. Kush S. Bhatnagar (Chief Financial Officer)#**				
	At the beginning of the year	0	0.00	0	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
8	**Prof. Ashok Jhunjhunwala (Independent Director)@**				
	At the beginning of the year	5,293	0.00	5,293	0.00
	Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year (upto February 9, 2017)	5,293	0.00	5,293	0.00

Appointed w.e.f. May 26, 2016.
@ Resigned w.e.f. February 10, 2017.

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Crore)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	6,485	5,169	-	11,654
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	39	73	-	112
(iv) Interest accrued but not due-DPL	-	281	-	281
Total (i+ii+iii)	**6,524**	**5,523**	**-**	**12,047**
Change in Indebtedness during the financial year				
• Addition	3,584	4,925	-	8,509
• Reduction	2,404	1,815	-	4,219
Net Change	**1,180**	**3,110**	**-**	**4,290**
(i) Principal Amount	7,659	7,876	-	15,535
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	45	72	-	117
(iv) Interest accrued but not due-DPL	-	685	-	685
Total (i+ii+iii)	**7,704**	**8,633**	**-**	**16,337**

VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD /Manager	Total Amount
		N. Srinath (Managing Director)	
1	Gross salary	Mr. N. Srinath, Managing Director, does not draw any remuneration from the Company	
	a. Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961		
	b. Value of perquisites u/s 17(2) Income-Tax Act, 1961		
	c. Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- Others, specify…		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors: **(Amount in Rs.)**

Sr. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Kishor A. Chaukar (Non-Executive Director)	D. T. Joseph (Independent Director)	Hiroo Mirchandani (Independent Director)	Govind Sankaranarayanan (Non-Executive Director)	Prof. Ashok Jhunjhunwala (Independent Director)@	
1	**Independent Directors**						
	a. Fee for attending Board / Committee meetings	0	4,00,000	6,50,000	0	7,00,000	17,50,000
	b. Commission	0	0	0	0	0	0
	c. Others, please specify	0	0	0	0	0	0
	Total (1)	0	4,00,000	6,50,000	0	7,00,000	17,50,000
2	**Other Non-Executive Directors**						
	a. Fee for attending Board / Committee meetings	5,00,000	0	0	2,20,000	0	7,20,000
	b. Commission	0	0	0	0	0	0
	c. Others, please specify	0	0	0	0	0	0
	Total (2)	5,00,000	0	0	2,20,000	0	7,20,000
Total (B) = (1+2)		**5,00,000**	**4,00,000**	**6,50,000**	**2,20,000**	**7,00,000**	**24,70,000**
Total Managerial Remuneration							Nil
Overall Ceiling as per the Act		Not applicable as only sitting fees paid					

@ Resigned w.e.f. February 10, 2017

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kush S. Bhatnagar (Chief Financial Officer)*	Mr. Kiran Thacker (Company Secretary)	Total
1	Gross Salary	61,27,547.37	32,90,953.00	94,18,500.37
	a. Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	0	0	0
	b. Value of perquisites u/s 17(2) Income-Tax Act, 1961	0	0	0
	c. Profits in lieu of salary under Section 17(3) Income-Tax Act,1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	a. as % of profit	0	0	0
	b. Others, specify	0	0	0
5	Others, please specify	61,27,547.37	32,90,953.00	94,18,500.37
	Total	**61,27,547.37**	**32,90,953.00**	**94,18,500.37**

* Appointed w.e.f. May 26, 2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

For and on behalf of the Board of Directors

Kishor A. Chaukar
Chairman
DIN:00033830

Place: Mumbai
Date: June 27, 2017

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and the rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tata Teleservices (Maharashtra) Limited
Voltas Premises,
T. B. Kadam Marg,
Chinchpokli, Mumbai – 400033

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Teleservices (Maharashtra) Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2017 according to the provisions of:

a) The Companies Act, 2013 ("the Act") and the rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

   i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;

   iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the year under review not applicable to the Company);

   v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company);

   vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and

   viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

f) Telecom Regulatory Authority of India Act, 1997;

g) The Indian Telegraph Act, 1885;

h) The Indian Wireless Telegraphy Act, 1933.

We have examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India;

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above except the following observation:

As per regulation 33(3)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to submit it's Financial Results within sixty days from end of Financial Year, however the Company submitted Financial Results for the period ended 31st March 2016, to the Stock Exchanges on 25th June 2016.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting at the Board.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.:-

a) Pursuant to the provisions of Section 61 and Section 64 of The Companies Act,2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and Article 27 of the Articles of Association, the Company obtained the approval of its members for increase in the Authorised Share Capital of the Company from the existing Rs. 2500,00,000,000 (Two Thousand Five Hundred Crores Only) divided into 250,00,000,000 (Two Hundred and Fifty Crores Only) equity shares of Rs. 10/- (Rupees Ten Only) each **To** Rs.5500,00,00,000 (Rupees Five Thousand Five Hundred Crores Only) by creating new Preference Share Capital of Rs.3000,00,00,000 (Rupees Three Thousand Crores Only) divided into 30,00,00,000 (Thirty Crores) Preference Shares of Rs.100/- (Rupees One Hundred Only) each. The Memorandum of Association and Articles of Association of the Company were subsequently altered.

b) The Board of Directors of the Company at its meeting held on 25th June 2016, accorded its approval for issue of upto 30,00,00,000 (Thirty Crores) 0.1% Non-Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred Only) each at par, aggregating upto Rs. 3000,00,00,000/- (Rupees Three Thousand Crores Only) on Preferential basis to Tata Teleservices Limited.

For **Mehta & Mehta,**
Company Secretaries,
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No : 3667
CP No. : 3202

Place : Mumbai
Date : May 12, 2017

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A

To,
The Members,
Tata Teleservices (Maharashtra) Limited
Voltas Premises,
T.B. Kadam Marg,
Chinchpokli, Mumbai – 400033

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**
Company Secretaries,
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No : 3667
CP No. : 3202

Place : Mumbai
Date : May 12, 2017

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2016-17

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is set of practices followed to ensure that the affairs of the Company are managed in a way which would ensure its accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and social expectations.

The Company believes in highest standards of good and ethical Corporate Governance practices. Good Corporate Governance practices stem from the culture and mindset of the organization. It is also believed that Corporate Governance is not only about enacting regulations and procedures but also maintaining and establishing an environment of trust and confidence among various stakeholders. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

In order to adopt Corporate Governance practice in its true spirit, the Company has put in place "Tata Code of Conduct" for its employees including Managing Director and senior management. In addition, the Company has also adopted a Code of Conduct for its Non-Executive Directors, which includes duties of the Independent Directors as laid down in the Companies Act, 2013 (the "Act"). These codes are available on the website of the Company. Further, the Company's Corporate Governance philosophy has been strengthened through the "Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices".

TATA CODE OF CONDUCT

Tata Code of Conduct is a comprehensive document that serves as the ethical road map for the employees and the Company. It also inter alia governs the conduct of business in consonance with national interest, fair and accurate presentation of financial statements, being an employer providing equal opportunities to its employees, prohibition on acceptance of gifts and donations that can be intended or perceived to obtain business or uncompetitive favors, practicing political non-alignment, safe and healthy environment for its people, maintaining quality of products and services, being a good corporate citizen, ethical conduct and commitment to enhancement of stakeholders' value.

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct for the Financial Year 2016-17 ("Year"). The declaration by Managing Director in this respect appears elsewhere in the Annual Report for the Year.

TATA CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF CORPORATE DISCLOSURE PRACTICES

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code under the nomenclature of "Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices" for prevention of insider trading and ensuring timely and adequate disclosures of all Unpublished Price Sensitive Information in a transparent manner.

BOARD OF DIRECTORS

Composition

The Board of Directors of the Company (the "Board") has an optimum combination of Executive and Non-Executive Directors and composition of the Board is in conformity with Regulation 17 read with Regulation 25(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The Company has adopted the Governance Guidelines on Board Effectiveness (the "Governance Guidelines"), keeping in view the provisions of the Act and the Listing Regulations. These Governance Guidelines, amongst other things, cover aspects related to composition of the Board/Committees with adequate numbers of Executive Directors, Non-Executive Directors and Independent Directors, effective discharge of duties by individual Directors, the Board and its Committees in the best interest of the stakeholders, appointment/retirement of Directors and performance evaluation of the individual Directors, the Board as a whole and its Committees.

The Board of Directors, as on March 31, 2017, comprised of 5 (Five) Directors including a Non-Independent Non-Executive Chairman. Of the 5 (Five) Directors, 4 (Four) i.e., 80% of the total number of Directors were Non-Executive Directors and 2 (Two) i.e., 40% of the total number of Directors were Independent Directors (including a Woman Director). The Company is managed by the Managing Director under the supervision, direction and control of the Board. The Managing Director is assisted by a team of highly qualified and experienced professionals.

None of the Directors of the Company is a Member of more than 10 Committees or Chairman of more than 5 Committees (Committees include Audit Committee and Stakeholders' Relationship Committee) across all public companies in which he/she is a Director. All the Directors have made the necessary disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other.

All the Directors are also in compliance of the limit on Independent Directorship of listed companies as prescribed in Regulation 25(1) of the Listing Regulations. All the Independent Directors of the Company have confirmed that they meet the criteria of 'Independence' as stipulated under the Act and the Listing Regulations.

All the Directors of the Company, except Independent Directors, are liable to retire by rotation. The Company does not have any Nominee Director of Financial Institutions/Banks.

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 the Act and the Listing Regulations. 7 (Seven) Meetings of the Board of

Directors were held during the Year, viz. May 26, 2016; June 25, 2016; August 3, 2016; August 26, 2016; October 28, 2016; January 31, 2017 and February 9, 2017.

The names and categories of the Directors, their attendance at Board Meetings and Annual General Meeting held during the Year, the number of Chairmanships/Directorships and Committee Chairmanships/ Memberships of the Board of public companies (including that of the Company) held by them and number of shares of the Company held by them as on March 31, 2017 are given hereinbelow. The directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanship/Memberships of the Board Committees include only Audit Committee and Stakeholders Relationship Committee:

Name of the Director	Director Identification Number	Category of the Director	Number of Shares held (including held by dependents)	Number of Directorship(s) (including in the Company)		Committee(s) position (including in the Company)	
				Member	Chairman	Member	Chairman
Mr. Kishor A. Chaukar, Chairman	00033830	Non-Independent, Non-Executive	-	7	1	3	2
Mr. D. T. Joseph	01716572	Independent, Non-Executive	-	3	-	3	1
Ms. Hiroo Mirchandani	06992518	Independent, Non-Executive	-	7	-	4	1
Mr. Govind Sankaranarayanan	01951880	Non-Independent, Non-Executive	-	4	-	1	-
Mr. N. Srinath	00058133	Executive	-	5	-	2	-
Prof. Ashok Jhunjhunwala (resigned w.e.f. February 10, 2017)	00417944	Independent, Non-Executive	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Attendance of Directors at Board Meetings and AGM

Name of the Director	Number of Board Meetings during the Year		Attendance at AGM held on August 26, 2016
	Held	Attended	
Mr. Kishor A. Chaukar	7	7	Present
Mr. D. T. Joseph	7	4	Present
Ms. Hiroo Mirchandani	7	7	Present
Mr. Govind Sankaranarayanan	7	6	Present
Mr. N. Srinath	7	6	Present
Prof. Ashok Jhunjhunwala (resigned w.e.f. February 10, 2017)	7	6	Present

All the information required to be placed before the Board under Part A of Schedule II to the Listing Regulations has been duly placed. Dates of the Board/Committee Meetings are decided at the beginning of the financial year and are communicated to all the Directors well in advance. Additional meetings of the Board of Directors are held when deemed necessary. The agenda alongwith the explanatory notes are circulated in advance to the Directors.

Familiarization Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/brochures, reports and internal policies to familiarize them about the telecom industry, business operations and functioning of various divisions/departments of the Company.

The details of Familiarisation programme imparted to the Independent Directors are available on the Company's website at the following weblink:https://www.tatateleservices.com/Downloads/ttml/Familiarization-%20Programmes%20-%20upto-%20FY-%202016-17.pdf

AUDIT COMMITTEE

Terms of Reference

The terms of reference of the Audit Committee as on March 31, 2017 are broadly as under:

a) Statutory Auditors

i) Recommend to the Board of Directors (the “Board”) the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, including filling of a casual vacancy, fixation of audit fee/remuneration, terms of appointment.

ii) Recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.

iii) Approve the appointment of and the fees for any other services as may be rendered by the statutory auditors. Provided that the statutory auditors shall not render services prohibited to them by Section 144 of the Act or by professional regulations.

The Committee shall take into consideration the qualifications and experience of the individual/firm proposed to be considered for appointment as auditors and whether qualifications and experience are commensurate with the size, nature of business and requirements of the Company and also consider any completed and pending proceedings relating to professional matters of conduct against the proposed individual auditor/firm of auditors before the Institute of Chartered Accountants of India or any competent authority or any Court.

b) Review and monitor independence and performance of statutory auditors

i) Review and monitor the independence and performance of the auditors and effectiveness of audit process.

ii) The Committee is also responsible for:

- Actively engaging in dialogue with the Statutory Auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and

- Recommending that the Board takes appropriate action in response to the Statutory Auditors' Report to satisfy itself of their independence.

c) Review audit plan

Review/discussion with the Statutory Auditors their plans for, and the nature and scope of, their annual audit and other examinations.

d) Review and examination of Audit Reports

Review and examination with the Statutory Auditors the proposed report on the annual audit, areas of concern, the accompanying management letter, if any, the reports of their reviews of the Company's interim financial statements, and the reports of the results of such other examinations outside of the course of the statutory auditors' normal audit procedures that they may from time to time undertake.

e) Review and examination of Financial Statements

Review and examination of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible.

The Audit Committee shall review with appropriate officers of the Company and the Statutory Auditors, the annual financial statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act, 2013.
- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgement by management.
- Qualifications in draft audit report.
- Significant adjustments made in the financial statements arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with listing and other legal requirements relating to financial statements.
- Any related party transactions i.e., transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
- Contingent liabilities.
- Status of litigations by or against the Company.
- Claims against the Company and their effect on the accounts.

- The definition of the term “Financial Statement” shall be the same as under section 2(40) of the Companies Act, 2013.

f) Review quarterly/half yearly Results

Reviewing with the management, the quarterly/half yearly financial statements before submission to the Board for approval.

g) Risk Management Functions

Evaluation of internal financial and operational controls and risk management systems to obtain reasonable assurance based on evidence regarding processes followed and their appropriate testing that such systems are adequate and comprehensive, are in place and are working effectively.

The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required, the Committee may assign tasks to the Internal Auditors, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

h) Review policies

Review and confirm that the Company has in place a system of determining and mitigating financial and enterprise-wide risks applicable to the Company and that the system is functioning effectively.

i) Internal Auditor

i) Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Internal Auditors, including fixation of audit fee/remuneration and terms of appointment.

ii) Review of performance of Internal Auditor.

j) **Review internal audit function**

Review the adequacy of the internal audit function, including the structure of the internal audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the reporting structure, coverage and frequency of internal audit.

k) **Review Internal Audit plans**

Review with the senior internal audit executive and appropriate members of the staff of the internal auditing department and/or with outside individual/firm appointed as Internal Auditor the plans for and the scope of their ongoing audit activities and also review the periodicity and methodology for conducting the internal audit.

l) **Review Internal Audit reports**

i) Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department and/or with outside individual/firm appointed as Internal Auditor the periodic reports of the findings of the audit and reports and the necessary follow up and implementation of correction of errors and other necessary actions required.

ii) Review the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken. Any such matters shall be reported to the Board if necessary and appropriate.

m) **Cost Auditor**

The Committee shall after taking into consideration the qualifications and experience of the person proposed for appointment as the cost auditor, recommend such appointment to the Board, together with the remuneration to be paid to the cost auditor.

n) **Other Auditor(s)**

The Committee may appoint such other auditor(s) and recommend them to the Board, together with the remuneration to be paid to such auditor, as may be required by any law for the time being in force.

o) **Review systems of internal accounting controls**

Review with the statutory auditors and the senior internal auditing executive to the extent deemed appropriate by the Chairman of the Committee, the adequacy of the Company's internal accounting systems for appropriate control over the financial reporting and accounting process(es).

p) **Review other matters**

Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.

q) **Review of Whistle Blower Policy**

i) Review and ensure the existence, adequacy and effective functioning of a Vigil Mechanism/Whistle Blower Policy appropriate to the size, complexity and geographic spread of the Company and its operations.

ii) Chairman of the Audit Committee be directly accessible in exceptional cases.

iii) To carry such other functions/actions as stated in the Whistle Blower Policy of the Company.

r) **Approval for appointment of Chief Financial Officer ("CFO")**

The Committee shall approve the appointment of the CFO (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

s) **Review and monitor the Statement of Uses and Application of Funds**

Review and monitor, with the management, the statement of uses/application of funds raised through an issue (public, rights preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.

t) **Review of Related Party Transactions**

i) Review and approve transactions with related parties which are in ordinary course of business and on arms length basis.

ii) Review, approve and recommend to the Board the transactions with related parties which are not in ordinary course of business or on arms length basis.

iii) Review the statement in summary form of transactions with related parties.

iv) Approval or any subsequent modification of all transactions of the Company with related parties.

u) **Investigation**

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it has full access to the information contained in the records of the Company.

v) Seek information / advice

The Audit Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons (outsiders) with suitable qualifications and relevant experience in specific matters, if it considers this necessary.

w) Review and monitor any default of payment

Looking into reasons for any substantial defaults in payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.

x) Reporting of Fraud by the Auditors

In case the auditor has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, or by the Company, the Auditor shall forward his report to the Committee and the Committee shall send its reply or observations to the Auditor and such matters shall be reported to the Board by the Committee.

y) Review of other Information

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operation, to be included in the Company's Annual Report to its shareholders.
2. Statement of related party transaction submitted by the management.
3. Management letters or letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. Inter-corporate loans and investments.
6. Valuation of undertakings and assets of the Company whenever necessary.

z) Reporting to Board

Report its activities to the Board in such manner and at such times, as it deems appropriate.

aa) To attend Meeting(s)

The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to its scope sought by the members of the Company.

The representatives of Statutory Auditors/Internal Auditors/Cost Auditors/ or other auditors as may be appointed shall be special invitees to the Audit Committee meetings in which they are invited by the Committee to participate, and they shall participate in discussions related to the audit and reviews of the financial statements of the Company and any other matter that in the opinion of the statutory auditors needs to be brought to the notice of the Committee or any matter.

The Audit Committee may also invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company.

bb) Review of the Terms of Reference of the Audit Committee

The Committee shall review and reassess the adequacy of the terms of reference of the Audit Committee on a periodical basis, and where necessary obtain the assistance of the management, external auditors and external legal counsel.

Management Discussion and Analysis of Financial Condition and Results of Operations, statements of related party transactions, internal audit reports, fraud related reports, quarterly results, management letters to auditors, proposals and terms of appointment of internal auditors have been regularly placed before the Audit Committee for review during the Financial Year 2016-17.

Composition, Meetings held and attendance during the Year

The composition of the Audit Committee of the Board is in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations. The Audit Committee meetings are also attended by the Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors. The Cost Auditor is invited to attend the meeting of the Audit Committee at which Cost Audit related matters are discussed. The functional heads are also invited as and when required. The Company Secretary acts as Secretary to the Committee.

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 Regulation 18 of the Listing Regulations. 6 (Six) meetings of the Audit Committee were held during the Year, viz. May 26, 2016; June 25, 2016; August 3, 2016; October 28, 2016; October 31, 2016 and February 9, 2017. The composition of the Audit Committee as on March 31, 2017 and the details of attendance of each Member at these meetings are given below:

Name of the Member	Category	No. of Meetings during the Year	
		Held	Attended
Ms. Hiroo Mirchandani (appointed as Chairperson w.e.f. March 15, 2017)	Independent, Non-Executive	6	6
Mr. D. T. Joseph (appointed as a Member w.e.f. March 15, 2017)	Independent, Non-Executive	-	-
Mr. Govind Sankaranarayanan	Non-Independent, Non-Executive	6	5

Name of the Member	Category	No. of Meetings during the Year	
		Held	Attended
Prof. Ashok Jhunjhunwala (ceased to be Chairman and a Member w.e.f. February 10, 2017)	Independent, Non-Executive	6	6

The necessary quorum was present at all the meetings. Prof. Ashok Jhunjhunwala, the then Chairman of the Audit Committee was present at the Annual General Meeting held on August 26, 2016.

NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee ("NRC") as on March 31, 2017 were broadly as under:

1. Recommend to the Board the set up and composition of the Board. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director"

2. Recommend to the Board the appointment or re-appointment of directors.

3. Devise a policy on Board diversity.

4. Carry out the evaluation of every director's performance and support the Board and independent directors, as may be required, in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board."

5. Recommend the remuneration policy for the directors, KMP, executive team and other employees. While formulating the policy NRC shall ensure that:

   a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c) remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

6. Recommend the remuneration payable to the Managing Director and Executive Director/s and shall discharge any other statutory duties and functions as may be specified under law, or to perform such task/s as may be entrusted to NRC by the Board of Directors from time to time.

Composition, Meetings held and attendance during the Year

The composition of the NRC of the Board is in conformity with the Section 178 of the Act and Regulation 19 of the Listing Regulations.

2 (Two) meetings of the NRC were held during the Year, viz. May 26, 2016 and June 25, 2016. The composition of the NRC as on March 31, 2017 and the details of attendance of each Member at these meetings are given below:

Name of the Member	Category	No. of Meetings during the Year	
		Held	Attended
Mr. D. T. Joseph (Chairman)	Independent, Non-Executive	2	2
Mr. Kishor A. Chaukar	Non-Independent, Non-Executive	2	2
Ms. Hiroo Mirchandani (appointed as a Member w.e.f. March 15, 2017)	Independent, Non-Executive	-	-
Prof. Ashok Jhunjhunwala (ceased to be a Member w.e.f. February 10, 2017)	Independent, Non-Executive	2	2

The Chairman of the NRC was present at the Annual General Meeting held on August 26, 2016.

Performance Evaluation Criteria for Independent Directors

The Governance Guidelines adopted by the Company, inter alia, lay down the evaluation criteria and procedure for performance evaluation of Independent Directors. Criteria for evaluation of Independent Directors include aspects such as attendance and contribution at the Board/Committee Meetings and guidance/support to management outside Board/Committee Meetings.

Remuneration Policy

The Company has adopted the Remuneration Policy for its Directors, Key Managerial Personnel and other employees of the Company, which has been annexed to the Directors' Report forming part of this Annual Report.

Remuneration paid to the Directors

None of the Non-Executive Directors, apart from receiving sitting fees for attending meetings, have any material pecuniary relationship or transaction with the Company.

Non-Executive Directors

During the Year, the Company paid sitting fees of Rs. 50,000/- per meeting to Non-Executive Directors who are not in the employment of Tata Companies, for attending meetings of the Board or any Committee thereof and sitting fees of Rs. 20,000/- per meeting for Non-Executive Director who is in the employment of Tata Company,for attending meetings of the Board or any Committee thereof.

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

None of the Directors has been issued any stock options by the Company during the Year or any time in the past. Further, none of the Directors of the Company are in receipt of any Commission from the Company.

The details of sitting fees paid by the Company during the Year are as follows:

A) Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)
Mr. Kishor A. Chaukar	5,00,000
Mr. D. T. Joseph	4,00,000
Ms. Hiroo Mirchandani	6,50,000
Mr. Govind Sankaranarayanan	2,20,000
Prof. Ashok Jhunjhunwala (resigned w.e.f. February 10, 2017)	7,00,000

B) Managing Director

Mr. N. Srinath, who was re-appointed as Managing Director of the Company w.e.f. February 1, 2017, does not draw any remuneration from the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

The Stakeholders Relationship Committee ("SRC") specifically looks into redressal of grievances of shareholders and other securities holders. SRC considers and resolves the grievances of shareholders of the Company including complaints related to transfer of shares, non-receipt of annual report, dematerialization of shares, issue of duplicate and renewed share certificates, etc.

The Committee has delegated its powers to officers and employees of the Company and/or to the Company's Registrar and Share Transfer Agent ("RTA"). The delegates of the RTA regularly attend to share transfer formalities at least once in every 15 days.

Composition, Meetings held and attendance during the Year

The composition of the SRC of the Board is in conformity with Section 178 of the Act and Regulation 20 of the Listing Regulations. During the Year, the Committee met once on March 24, 2017. The composition of SRC and the details of attendance of each Member at the meeting are given below:

Name of the Member	Category	No. of Meetings during the Year	
		Held	Attended
Mr. D. T. Joseph (Chairman)	Independent, Non-Executive	1	1
Mr. N. Srinath	Executive	1	1

Details of Shareholders' complaints received and resolved

The details of Shareholders' complaints received and redressed during the Year are as follows:

Opening	Received during the Year	Resolved during the Year	Pending
1	4	5	0

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

Name and designation of the Compliance Officer

Mr. Kiran Thacker
Company Secretary & Compliance Officer

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

The terms of reference of Corporate Social Responsibility ("CSR") Committee as on March 31, 2017 are as follows:

1. To frame the CSR Policy, subject to the approval by the Board.
2. To make the necessary and required modifications and variations in the CSR Policy, subject to the approval by the Board.
3. To determine the amount to be expended towards the CSR activities subject to the minimum limits prescribed by the Act.
4. To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Composition, Meetings held and attendance during the Year

During the Year, the Committee met once i.e., on March 24, 2017. The composition and the details of attendance of each Member at the meeting are given below:

Name of the Member	Category	No. of Meetings during the Year	
		Held	Attended
Mr. Kishor A. Chaukar	Non-Independent, Non-Executive	1	1
Mr. D. T. Joseph	Independent, Non-Executive	1	1
Mr. N. Srinath	Executive	1	1

In addition to the above, the Company also has other Committees, viz.:

1. Executive Committee to review business and strategy related approvals, long-term financial projections, cash flows, capital and revenue budgets, capital expenditure programmes, acquisitions, divestments, business restructuring proposals, senior management succession planning; and

2. Finance Committee inter alia to consider and approve proposals for availing various loans/credit facilities and other treasury related matters within the powers delegated by the Board.

INDEPENDENT DIRECTORS' MEETING

During the Year, the Independent Directors met on March 24, 2017, inter alia, to assess the quality, content and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

GENERAL BODY MEETINGS

Details of General Meetings

The Company's first statutory meeting was held on April 24, 1995. Till date, the Company has held 21 AGMs and 15 Extraordinary General Meetings of the shareholders.

The details of date, time and venue of the AGMs held during the last three years are as under:

Particulars	Date	Time	Venue
19th Annual General Meeting	September 25, 2014	1500 hours	“Rangaswar”, 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannath Rao Bhosle Marg, Nariman Point, Mumbai – 400 021
20th Annual General Meeting	September 22, 2015	1430 hours	
21st Annual General Meeting	August 26, 2016	1430 hours	

Details of Special Resolution(s) passed in the above referred AGMs are as under:

Particulars of the AGM	Section under which Special Resolution was passed	Purpose
19th AGM held on September 25, 2014	Section 180(1)(c) and 180(1)(a)	To borrow money exceeding paid-up share capital and free reserves upto Rs. 13,000 Crores and creation of security on the assets of the Company upto Rs. 13,000 Crores
20th AGM held on September 22, 2015	Section 180(1)(c) and 180(1)(a)	(I) Increasing borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013; and (ii) Increasing the powers of the Board of Directors to create security on properties/assets of the Company under Section 180(1)(a) of the Companies Act, 2013.

POSTAL BALLOT

Special Resolution(s) passed through Postal Ballot

During the Year, the Company sought approval of Members by way of Special Resolutions through Postal Ballot as required pursuant to Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the “Rules”) for the following Special Resolutions

1. Increase in the Authorised Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company.

2. Alteration of the Capital Clause in the Article of Association of the Company.

3. Issue of 0.1% Non-cumulative Redeemable Preference Shares on preferential basis upto an amount of Rs. 3,000 Crores to Tata Teleservices Limited (Promoter).

Results of the aforesaid Postal Ballot were announced on Thursday, August 18, 2016. Ms. Dipti A. Mehta, Partner, M/s. Mehta & Mehta, Practicing Company Secretaries, was appointed as Scrutinizer for carrying out the postal ballot process. The above said Special Resolutions were passed by the Members with the requisite majority as per the following details:

Brief Description of Resolution	Voted in favour of the resolution			Voted against the resolution		
	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast
Increase in the Authorised Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company	1,017	1,47,56,063,15	99.98	91	2,63,422	0.02

Brief Description of Resolution	Voted in favour of the resolution			Voted against the resolution		
	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast
Alteration of the Capital Clause in the Article of Association of the Company	992	1,47,55,81,997	99.98	107	2,87,588	0.02
Issue of 0.1% Non-cumulative Redeemable Preference Shares on preferential basis upto an amount of Rs. 3,000 Crores to Tata Teleservices Limited (Promoter)	992	1,47,55,60,769	99.98	120	3,11,076	0.02

Special Resolution(s) proposed to be passed by way of Postal Ballot

Currently, no Special Resolution is proposed to be transacted by way of Postal Ballot.

Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Act, read with Rules 20 and 22 of the Rules and Regulation 44 of the Listing Regulations, the Company provides remote electronic voting (“e-voting”) facility to all its Members, to enable them to cast their votes electronically. The Company engages the services of National Securities Depository Limited for the purpose of providing e-voting facility to all its Members.

The Members have the option to vote either by Postal Ballot Form or e-voting. The Company dispatches the postal ballot notices and forms (a) through electronic means to all the Members whose e-mail IDs are registered with the Company or Depository Participant(s) and (b) in physical form, with postage prepaid self-addressed business reply envelope, to all other Members at their registered address by the permitted mode. The Company also publishes a notice in the newspaper declaring the details of completion of despatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The Scrutinizer submits his/her report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / Authorized Director. The results are also displayed on the website of the Company viz., www.tatateleservices.com, besides being communicated to the stock exchanges.

MEANS OF COMMUNICATION

- The quarterly, half yearly and annual results are communicated through a press release and published in Business Line (English) and Navshakti (regional language). The financial results, official press releases and presentations, if any, are also displayed on the website of the Company viz. https://www.tatateleservices.com/en-in/ttml-investors.
- The financials and other information filed by the Company from time to time with the stock exchanges are available on the website of the Company and website of the stock exchanges i.e., BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). BSE has introduced online filling of information through BSE Corporate Compliance and Listing Centre and NSE has introduced NSE Electronic Application Processing System (“NEAPS”). Various reports/information as required under the Listing Regulations are filed through these systems.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis forms part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

Twenty Second Annual General Meeting

Date	July 31, 2017
Day	Monday
Time	1100 Hours
Venue	“Rangaswar”, 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannath Rao Bhosle Marg, Nariman Point, Mumbai – 400 021

Financial Year

The Company follows the April to March Financial Year.

Date of Book Closure

The share transfer books and the Members' register will be closed between Thursday, July 27, 2017 to Monday, July 31, 2017 (both days inclusive) for the purpose of the Twenty Second (22nd) Annual General Meeting of the Company.

Listing on the Stock Exchanges

The Company's equity shares are listed on the following stock exchanges and the listing fees have been paid to both the stock exchanges within the stipulated time:

Name and address of the Stock Exchanges	Stock Code /Scrip Code	ISIN Number
BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001	532371	INE517B01013
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	TTML	

Market Price Data

The High and Low of the Company's equity shares during each month in the last Financial Year were as follows:

(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April 2016	7.56	6.48	7.60	6.40
May 2016	7.35	6.26	7.45	6.25
June 2016	7.24	6.15	7.30	6.15
July 2016	7.50	6.66	7.55	6.70
August 2016	7.08	6.22	7.10	6.25
September 2016	6.49	5.42	6.45	5.40
October 2016	8.16	5.64	8.20	5.65
November 2016	7.35	5.85	7.40	5.55
December 2016	6.70	5.75	6.75	5.75
January 2017	6.54	5.81	6.55	5.80
February 2017	8.02	5.95	8.00	5.95
March 2017	10.48	7.16	10.45	7.15

Source: BSE and NSE Websites

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

The performance of the Company's equity share price vis-à-vis the broad based BSE and NSE indices during the year are as under:

Particulars	TTML Share Price v/s. BSE Sensex		TTML Share Price v/s. NSE Nifty	
	TTML Share Price (Rs.)	BSE Sensex	TTML Share Price (Rs.)	NSE NIFTY
As on April 1, 2016	6.77	25,269.64	6.80	7,713.05
As on March 31, 2017	7.20	29,620.50	7.15	9,173.75
Change (%)	6.35	17.22	5.15	18.94

Registrar and Share Transfer Agents

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

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 / 8496
e-Mail: csg-unit@tsrdarashaw.com
website:www.tsrdarashaw.com

Share Transfer System

In order to expedite the process of share transfer and for administrative convenience, the authority for all physical share transfers is delegated to 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.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains certificate from a Practicing Company Secretary on half-yearly basis to the effect that all the transfers are completed within 15 days from the date of lodgment of the transfer. A copy of the certificate so received is submitted to both the stock exchanges, where the shares of the Company are listed.

As regards transfers of dematerialized shares, the same can be effected through the demat accounts of the transferor/s and transferee/s maintained with the recognized Depository Participants.

Distribution of Shareholding

The broad shareholding distribution of the Company as on March 31, 2017 with respect to categories of investors was as follows:

Category of Investors		Percentage of Shareholding	
		As on March 31, 2017	As on March 31, 2016
Promoters and Promoter Group Companies	Indian	63.11*#	63.14*
	Foreign	11.76	11.76
International Investors (FIIs / NRIs / OCBs / Foreign Banks / Foreign Corporate Bodies)		1.12	1.15
Indian Financial Institutions / Banks / Mutual Funds / Insurance Companies / Central & State Government		0.05	0.14
Private Bodies Corporate / Trusts / NBFCs		2.44	2.24
Individuals		21.52	21.57
TOTAL		**100.00**	**100.00**

* Teleservices Limited (Promoter Company) has pledged its shareholding equivalent to 26% of the Company's total paid-up share capital to secure the term loans/facilities availed by the Company.
# Tata Sons Limited (Promoter Company) has incorporated lock-in on

its shareholding on allocation of spectrum pursuant to the Section No. 3.2(x) of the Notice Inviting Applications for Auction of Spectrum No. 1000/06/2016-WF(Auction) dated August 8, 2016 issued by the Department of Telecommunications, Ministry of Communications and amendments thereto.

The broad shareholding distribution of the Company as on March 31, 2017 with respect to size of holdings was as follows:

Range (No. of Shares)	% of Paid-up Capital	Total No. of Shareholders	% of Total No. of Shareholders
1 to 500	41,315,916	230,623	61.06
501 to 1000	43,952,249	65,210	17.26
1001 to 2000	60,850,836	45,967	12.17
2001 to 3000	33,316,328	13,651	3.61
3001 to 4000	19,715,247	5,609	1.48
4001 to 5000	17,718,029	3,803	1.01
5001 to 10000	50,051,535	7,100	1.88
10001 and above	1,688,007,587	5,757	1.52
Total	**1,954,927,727**	**377,720**	**100.00**

The quarterly shareholding patterns filed with the stock exchanges are also available on the website of the Company and on the website of the stock exchanges where equity shares of the Company are listed i.e., BSE and NSE.

Dematerialization of Shares and Liquidity

The equity shares of the Company are under compulsory dematerialized form. As of March 31, 2017, 99.85% of the total equity shares issued by the Company have been dematerialised. The equity shares of the Company are available for dematerialisation with both the depositories in India i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

Outstanding Employee Stock Options, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs") etc.

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

Commodity price risk or foreign exchange risk and hedging activities

The Company has a comprehensive foreign exchange risk management policy for managing foreign currency and interest rate exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures at an appropriate cost. During the Year, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign exchange exposures are reviewed at a regular interval. Note 2.5 to the Financial Statements describes the accounting policy relating to the foreign currency transactions and translations. The details of the derivative financial instruments are enclosed in the Note 38 of the Financial Statements.

Where we offer services

The Company provides its range of products and services to about 8.6 Million (wireline + wireless) subscribers under the 'Tata DOCOMO' brand in the State of Maharashtra (including Goa) through its telephone exchanges located at Turbhe (Navi Mumbai), Nariman Point (Mumbai), Andheri (Mumbai), Pune, Nasik, Panjim, Nagpur, Aurangabad and Kolhapur.

Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence/queries to TSR and only the non-shares 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.

RISK MANAGEMENT

The Company has devised a formal Risk Management framework for risk assessment, prioritization and minimization. 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 framework.

OTHER DISCLOSURES

Disclosure on Materially Significant Related Party Transactions

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Act. All Related Party Transactions ("RPTs") were approved by the Audit Committee. The Company has entered into RPTs which were material as per the Regulation 23 of the Listing Regulations and as per the Policy for RPTs approved by the Board. The Company has obtained approval of Members by way of Postal Ballot for such Material RPTs. There were no Materially Significant RPTs during the Year which in the opinion of the Board may have potential conflict with the interest of the Company at large.

Suitable disclosure as required by the Indian Accounting Standards (Ind AS) – 24 has been made in the notes to the Financial Statements.

Apart from paying sitting fees, there was no pecuniary transaction undertaken by the Company with the Independent/Non-Executive Directors during the Year.

A Policy for Related Party Transactions, as approved by the Board, is available on the Company's website under the following web link: https://www.tatateleservices.com/Downloads/ttml/Policy-on-Determination-ofMateriality-for-Disclosures.pdf

Disclosure on Whistle Blower Policy

The Company has adopted a Whistle Blower Policy which ensures protection and confidentiality to whistle blowers. The Chairman of the Audit Committee is authorized to receive from whistle blowers the 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 personnel of the Company have been denied access to the Audit Committee.

Compliance with non-discretionary requirements of Listing Regulations
The Company has complied with the non-discretionary requirements, relating to Corporate Governance as stipulated in the Listing Regulations, for the Year.

A certificate obtained from Deloitte Haskins & Sells LLP, Auditors, with respect to compliance with the requirements of Corporate Governance for the Year and the same is annexed to this Report.

Implementation of discretionary requirements

The Company has implemented the following discretionary requirements relating to Corporate Governance, as specified in Part E of Schedule II of the Listing Regulations:

- The Company has provided office facilities to Non-Executive Chairman of the Company.
- The Company has appointed separate persons to the post of the Chairman and the Managing Director.
- The Internal Auditors report directly to the Audit Committee.

Certification with Respect to Financial Statements

The certificate as required pursuant to Regulation 17(8) of the Listing Regulations is periodically furnished by the 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.

Details of Compliance with respect to submission of Annual Audited Financial Results

Your Company, being a listed Company pursuant to Regulation 33 of the Listing Regulations, was required to submit the Annual Audited Financial Results to the Stock Exchanges for the quarter and year ending March 31, 2016 on or before May 30, 2016 (i.e., sixty days from the end of the financial year). Since the said financial results were under the finalization, the same could not be submitted within the prescribed time. As per the SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015 a penalty of Rs. 5000/- per day for non-compliance and if non-compliance continues for more than 15 days, additional fine of 0.1% of Paid-up capital of the Company or Rs. 1 Crore whichever is less shall be imposed by the Stock Exchanges. Accordingly, the Company had paid Rs. 1,01,30,000/- without holding of any tax to National Stock Exchange of India Limited and Rs. 1,14,46,900/- (post deducting TDS amounting to Rs. 2,02,600/-) to BSE Limited, as penalty for delayed submission of financial results.

Apart from above, no other penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Auditors' Certificate

The certificate dated May 12, 2017 issued by Deloitte Haskins & Sells LLP, Statutory Auditors, on compliance with the Corporate Governance requirements by the Company is annexed to this Report.

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, 2017, 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.

Mr. N. Srinath
Managing Director
DIN: 00058133

Mumbai
May 12, 2017

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNENCE

TO THE MEMBERS OF
TATA TELESERVICES (MAHARASHTRA) LIMITED

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 8, 2016.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of **TATA TELESERVICES (MAHARASHTRA) LIMITED ("the Company")** have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

9. We 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 LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Saira Nainar
Partner
(Membership No. 040081)

MUMBAI, May 12, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

TELECOM INDUSTRY DEVELOPMENTS

Global Telecom Industry

The mobile industry continues to expand, with a total of 8 Billion connections at the end of 2016 with unique subscribers at about 4.8 Billion. 70% of the world's population now has a mobile subscription. The global mobile connections increased by about 5% in the year 2016.

While global mobile connections growth remain modest, mobile data traffic grew at an estimated 63% in 2016 to 7.2 exabytes per month (one exabyte is equivalent to one billion gigabytes) with Middle East and Africa having the highest growth. Mobile data traffic has grown 18-fold over the past 5 year. Mobile data traffic will grow at a CAGR of 47% from 2016 to 2021, reaching 49.0 exabytes per month by 2021.

Fourth-generation (4G) traffic accounted for 69% of mobile traffic in 2016. Smartphones accounted for most of the growth. Smartphones (including phablets) represented only 45% of total mobile devices and connections in 2016, but represented 81% of total mobile traffic. In 2016, the typical smartphone generated 48 times more mobile data traffic (1,614 MB per month, up 38% YoY) than the typical basic-feature cell phone which generated only 33 MB per month (23 MB in 2015) of mobile data traffic. The average smartphones generated 6.8 GB of traffic per month by 2021, a fourfold increase over the 2016 average of 1.6 GB per month. Mobile video traffic accounted for 60% of total mobile data traffic in 2016. Globally, the average mobile network downstream speed in 2016 was 6.8 Megabits per second (Mbps), up from 2.0 Mbps in 2015. Average speed will surpass 20 Mbps by 2021. (Source: Cisco VMI Index)

The transition from 2G to 3G or 4G deployment is a global phenomenon. In 2016, 4G already carried 69% of the total mobile traffic and represented the largest share of mobile data traffic by network type. It will continue to grow faster than other networks to represent 79% of all mobile data traffic by 2021.

On an interesting note, more members of the global population will be using mobile phones (5.5 billion) than bank accounts (5.4 billion), running water (5.3 billion) or landlines (2.9 billion). Strong growth in mobile users, smartphones and Internet of Things (“IoT”) connections as well as network speed improvements and mobile video consumption are projected to increase mobile data traffic seven-fold over the next five years.

Indian Telecom Industry

Telecom continues to be an integral part of the infrastructure of the Indian economy. With ~1.2 Billion connections and 1,011 Million Visitor Location Register (“VLR”) subscribers, India continues to be the world's second largest telecommunications' market, next only to China. In 2016, VLR subscribers in India grew by about 8% which was above the global growth of connections at 5%.

Mobile services and connectivity which two decades ago could have been termed as a luxury, has quickly evolved into a basic need and is already on a path to becoming more than that. Society today has made itself so used to telecommunications that it affects us in all aspects of our life – social, work, health, finance, education and the list goes on.

India's teledensity is characterized by a stark difference in the rural and urban areas. As of December 31, 2016, the wireless urban teledensity is ~165% while wireless rural teledensity is still at 53%. This presents a challenge for the telecom operators – while the network coverage needs to be expanded for more inclusion in rural area, the urban subscribers demand more and more bandwidth with lesser delays over existing networks.

The Indian telecommunications sector is at an inflection point as significant as the first mobile phone revolution, centred this time around data with bundled voice. The Indian telecoms sector has traditionally been voice driven. Commoditizing voice calls and offering tiered data tariffs would shift the business model from a voice to a data centric one. In another significant development, 2016 saw the entry of a Greenfield 4G operator, introducing aggressive tariff plans, with free voice calls and low-cost data. Leading operators have launched 4G services in most of the circles, which would further boost data growth.

There's going to be a massive increase in mobile traffic globally and the trend will boom in India in the next 5 years. As per Cisco VNI Data Forecast Report, mobile data traffic in India will grow seven-fold by 2021 and mobile video traffic will show an increase by over 11-fold. There will be 1,380 million mobile-connected devices in India by 2021 and 60% of mobile connections will be 'smart' by that time compared to 19% in 2016. Video will be 75% of India's mobile data traffic by 2021, compared to 49% at the end of 2016.

Mobile banking transactions are on the rise due to increased smartphone adoption. Between FY13 and FY16, mobile banking transaction volume and transaction value have increased at a CAGR of 90% and 306%, respectively. This reflects that wireless smart devices are becoming a preferred medium for banking transactions. In addition, the digital payments ecosystem is growing by leaps and bounds in India. This is largely possible as India is transitioning to a digital economy. Digital wallets witnessed exponential growth in the back of the recent demonetization drive by the Government of India. The proportion of mobile wallet transaction volume to total payment transactions has increased from 0.4% in FY13 to 4% in FY16, and is expected to grow significantly in future. Further, with the launch of Payments Bank by a leading operator in 2016, financial inclusion for the unbanked would get a major boost.

This anticipated quantum of traffic means the need to invest intelligently in networks with better and more efficient means to support the traffic. Telecom service providers have been scaling up their network with increase in capital expenditure in the recent past.

The Company is continuously evaluating and improving its network as well as operational strategy to be able to satisfy the increasing needs of the evolved new age customers.

KEY REGULATORY DEVELOPMENTS / LITIGATIONS

Spectrum Auction:

- NIA was issued on August 8, 2016 for simultaneous Auction of Spectrum in 700, 800, 900, 1800, 2100, 2300 and 2500 MHZ Bands.
- Payment Terms: Winners had option to pay full amount upfront OR Deferred payment (50% in case of 1800/2100/2300/2500 and 25% in case of 700/800/900 MHz); 2 year moratorium; rest payable in 10 equal annual installments.
- Rollout: The requirement of rollout obligation shall be treated as fulfilled once the required number of district headquarters or block headquarters is covered by use of any technology in any band by a licensee.
- Spectrum Sharing: TSP will be allowed to share spectrum in a particular band only after one year from the date of 'Frequency Assignment' in that band acquired through this auction.
- Auction commenced on October 1, 2016 and was concluded after 31 rounds of bidding on October 6, 2016.
- TTML participated in the auction and won spectrum in 1800 MHz band; 5 MHz each in Mumbai and Maharashtra. Total cost Maharashtra – Rs. 1,590 Crores; Mumbai – Rs. 2,446 Crores;
- TTML has opted for deferred payment option and made the upfront payment on October 19, 2016 of Rs. 795 Crores for Maharashtra and Rs. 1,223 Crores for Mumbai.
- Spectrum has been allocated on November 10, 2016. Out of 5 MHz allocated in Maharashtra, 1 MHz is part of administrative allocation and in Mumbai, out of 5 MHZ, 4.4 MHz is part of administrative allocation. Administrative spectrum will expire on September 29, 2017.

TRAI Regulations

In the FY 2016-17, TRAI introduced Regulation/s on:

- “The Reporting System on Accounting Separation Regulations, 2016”, which provides a new framework of accounting separation and reporting requirement. These were published on June 10, 2016.
- “Telecom Consumers Protection (Tenth Amendment) Regulations, 2016”, which allows long term validity (365 days) of Data Special Tariff Vouchers (STV). These were published on August 19, 2016.
- “Guidelines for Telecom Service Providers for ensuring transparency and uniformity in the process of tariff recharges, payments through Third Party Apps, Websites”, which directs that any new tariff product or any change in existing tariff product should be made live only at midnight (between 00:00 Hrs and 02:00 Hrs) on the date of the launch or change in tariff product. These were published on October 14, 2016.
- “Telecommunication Tariff (Sixty First Amendment) Order, 2016”, which directs use of USSD for delivering mobile banking as well as other payment services. These were published on November 22, 2016.
- “The Mobile Banking (Quality of Service) (Second Amendment) Regulations, 2016”, which increases the ceiling of USSD based mobile banking transaction from 5 sessions to 8 sessions. These were published on November 22, 2016.
- “Telecommunication Tariff (Sixty Second Amendment) Order, 2016”, which introduces a Tariff ceiling @ Rs. 0.50/- per USSD session for USSD based mobile banking and payment services. These were published on December 27, 2016.

TRAI Directions

In the FY 2016-17, apart from directions in relation to specific service providers, TRAI provided directions and/or amendments, thereto covering:

- “Amendment to Direction F. No. 305-3/2014-QoS(pt.) dated 12.01.2016 on submission of data of network parameters through web-service”.
- “Direction under section 13 read with section 11(1) (b) of the TRAI Act, 1997 to ensure compliance of the terms and conditions of the license relating to interconnection and the provisions of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009”. This direction was in reference to provisioning of adequate PoIs with M/s. Reliance Jio. TSPs were asked to furnish the compliance report by October 17, 2016 as per the terms and conditions of their respective licenses. These were issued on October 7, 2016.

TRAI Recommendations

In the FY 2016-17, TRAI made the recommendations on the following topics, namely:

- “Clarifications/Reconsideration of Recommendations on Valuation and Reserve Price of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz bands dated 27.01.2016”. These are related to harmonization of spectrum, payment options to TSPs, utilization of surrendered spectrum, etc. and were released on April 18, 2016.
- “TRAI Reply to Secretary DoT on redefining the definition of broadband speed/increasing the Broadband Speed”. These re-define broadband speed/Increasing broadband speed - Min download speed of 512 kbps. These were released on May 24, 2016.
- “Recommendations on Terms and Conditions for Resale in International Private Leased Circuits (IPLC) Segment”. These recommendations pertain to “Introduction of Resale in IPLC segment” and “Access to essential facilities including landing facilities for submarine cables at cable landing stations”. These were released on August 10, 2016.

- "Violation of the provisions of License Agreements and the Standards of QoS of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 by M/s. Bharti Airtel Limited". These were made in relation to the provision of adequate PoIs by all operators and penalty to Airtel. (50 Cr/ LSA). These were released on October 21, 2016.

- "Violation of the provisions of License Agreements and the Standards of QoS of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 by M/s. Idea Cellular Limited". These were made in relation to the provision of adequate PoIs by all operators and penalty to Idea. (50 Cr/ LSA). These were released on October 21, 2016.

- "Violation of the provisions of License Agreements and the Standards of QoS of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 by M/s. Vodafone India Limited". These were made in relation to the provision of adequate PoIs by all operators and penalty to Vodafone. (50 Cr/ LSA). These were released on October 21, 2016.

- "Recommendations on Licensing framework for Audio Conferencing / Audiotex / Voice Mail Services". TRAI recommends that no standalone licenses for Voice Mail/Audiotex/UMS should be issued. The existing licensees of Voice Mail / Audiotex / UMS services may be given the option to migrate to Audio Conferencing / Audiotex / Voice Mail services." with authorization under UL. These were released on December 16, 2016.

- "Recommendation on permitting outstation Aadhaar card holders for e-KYC of mobile subscribers". These recommend use of Aadhaar based e-KYC service of Unique Identity Authority of India (UIDAI) for issuing mobile connections to subscribers as an alternative process to the existing PoI/PoA documents based process. These were released on January 20, 2017.

- "Recommendation on Verification of existing mobile subscribers through Aadhaar based e-KYC services". These recommend TSPs, to evolve a framework to verify the existing mobile subscribers through Aadhaar based e-KYC services in a phased manner and within a defined timeframe. These were released on January 20, 2017.

- "Recommendations on In-Building Access by Telecom Service Providers". These recommend that TSPs/IP1s should be mandated to share the in-building infrastructure (IBS, OFC and other cables, ducts, etc.) with other TSPs, in large public places like airports, hotels, multiplexes, etc., commercial complexes and residential complexes. These were released on January 20, 2017.

Harmonization of Spectrum in 800 MHz and 1800 MHZ

- Out of 75 MHz of spectrum in 1800 MHz band, 55 MHz is earmarked for commercial mobile service and 20 MHz for Defence band.

- As part of harmonization exercise, operators holding spectrum in Defence band will move from Defence band to commercial band and vice versa.

- Harmonization exercise in 1800 MHz band has been completed.

- Post this harmonization exercise, TSPs who were allocated partial spectrum due to non-availability in some of the circles prior to March 2009, these partial spectrum have become available now and same can be obtained by paying the current Market Determined Price.

- With a view to increase spectrum efficiency and exploring the possibility to make more spectrums available, harmonization exercise has been done in 800 MHz band as well.

DoT Allows Sharing of Infrastructure in NLD and ILD:

As per DoT order dated February 22, 2017, the NLD and ILD Licensee may share:

- "Passive" Infrastructure namely building, tower, dark fibre, duct space, Right of Way owned, established and operated by it under the scope of these services with other Licensees.

- "Active" Infrastructure amongst Service Providers based on mutual agreements entered amongst them is permitted. Active Infrastructure sharing will be limited to antenna, feeder cable and transmission system only.

Guidelines on Virtual Network Operator ("VNO"):

- DoT has issued guidelines on VNO on May 31, 2016. Details are available on http://www.dot.gov.in/sites/default/files/UL%20(VNO)%20Guidelines.pdf

Migration from UASL to Unified Licence ("UL"):

- TTML has signed the UL for authorization for Access Service in Mumbai and Maharashtra circle and Internet Service (Category A with All India jurisdiction) on November 2, 2016.

- The UL is valid for a period of 20 years.

Spectrum Usage Charges ("SUC"):

- DoT has issued revised rate of SUC on August 12, 2016.

- SUC will be charged at weighted average method across all access spectrum whether assigned administratively or through auction or through trading.

- Weighted average rate of SUC for a circle will be derived by sum of product of spectrum holding and applicable SUC rate divided by total spectrum holding.

Direction on Machine to Machine ("M2M") Numbering plan

- 13-digit numbering scheme has been approved for SIM based M2M devices.

- The scheme shall co-exist with the current 10-Digit mobile numbering scheme.
- DoT has approved 3-digit M2M identifiers as 559, 575, 576, 579 and 597 vide letter no. 16-03/2015-AS-III/MSC(Part)/154/223 dated July 1, 2016.
- The Direction was issued on December 9, 2016.

Dual Technology

- The challenge by Cellular Operators Association of India to the Government of India's Dual Technology Policy is pending before the Supreme Court ("SC"). The matter will be listed in due course.

3G Intra Circle Roaming ("ICR")

- Telecom Disputes Settlement and Appellate Tribunal ("TDSAT") judgment pronounced on April 29, 2014 held that intra-circle 3G roaming arrangements do not violate any licence provisions.
- DoT had filed an appeal before SC and also an application seeking stay on the judgment passed by TDSAT. DoT's appeal was admitted, while no interim relief was granted by the SC. The matter will come up for hearing in due course.
- In the interim, TTML filed Petition No. 02/2017 in TDSAT for allowing 3G ICR under UL. Vide TDSAT order dated January 10, 2017 (interim order) in Petition No. 02/2017, Hon'ble TDSAT has directed that TTML can enter into 3G ICR roaming arrangements and that DoT shall not take any coercive actions against TTML. The matter is next listed on May 15, 2017.

Adjusted Gross Revenue ("AGR") Definition

- TDSAT has pronounced its judgment in April 2015, wherein the impugned demands have been set aside by the Tribunal and it has directed Dot to rework the licence fee payable for the duration which was challenged.
- Both, DoT and TTML (as well as other operators), have filed their respective appeals against the aforesaid judgment of TDSAT. The matter had come up for hearing in Hon'ble SC on February 29, 2016, wherein SC has said that DoT will continue to raise the demands as per its understanding, however, the same will not be enforced till the final decision in the matter.
- The matter is pending before SC for final hearing and is listed for hearing on August 23, 2017.

One Time Spectrum Charges ("OTSC")

- TTML received a demand note towards OTSC of Rs. 290 Crores for CDMA spectrum beyond 2.5 MHz band in Mumbai and Maharashtra circles (excess spectrum). The demand is with effect from January 1, 2013 till expiry of licence.
- TTML filed a Writ Petition before Bombay High Court challenging the demand. Bombay High Court has stayed the demand for OTSC.
- Subsequently, TTML:
  - o retained 1.25 MHz (out of excess 2.5 MHz) in Mumbai and surrendered balance 1.25 MHz band in August, 2013; and
  - o surrendered excess spectrum in Maharashtra in November 2013.
  - o TTML has paid final fourth installment of OTSC for retaining excess 1.25 MHz band spectrum in Mumbai (Rs. 120 Crores).
- Matter is on board for final hearing.

Electromagnetic Frequency ("EMF") Radiation Penalty

- On November 4, 2008, DoT amended the Licence Agreement mandating licensees to conduct audits and provide self-certificates (pertaining to radiation levels of cell sites) annually.
- On October 11, 2012, DoT while laying down "Scheme of Penalty in case of violation of terms and conditions of License and Related Instructions on the matter of EMF Radiations" prescribed a uniform penalty of Rs. 5 Lakhs for each instance and levied demand retrospectively, from May 2010.
- Operators had filed five Joint Industry petitions before the TDSAT challenging the Circular dated October 11, 2012 as it empowers DoT to levy penalty on operators for the delayed submission of self-certificates; main ground of challenge being that the clauses of the Circular are arbitrary and discriminatory in nature as these prescribe totally disproportionate penalty for the alleged delayed submission of Self Certificates.
- Hon'ble TDSAT has allowed the main Petition No. 271 of 2013 on March 29, 2016 and held that the scheme of penalty under Circular dated October 11, 2012 is unreasonable, unjust & unfair and that no penalty can be sustained. No BTSes in respect of which self certificate was submitted by March 31, 2011 can be held liable for penalty for non-submission/delayed submission. DoT to formulate a fresh scheme in light of the recommendations of the Committee constituted by it on July 26, 2013 and the observations made in the present judgment. The total demand under this petition was Rs. 199 Crores, which has been set aside. Rest of the petitions (total of 4) filed in TDSAT, challenging the issue of penalty for missing/improper/absent signages on the cell sites (Petition No. 223 of 2014); against testing fee (Petition No. 500 of 2014); penalty for sharing operators to submit fresh Self-Certificate on up-gradation (Petition No. 199 of 2015) and penalty to all sharing operators due to non-compliance on EMF exposure (Petition No. 133 of 2015), amounting to approximately Rs. 293 Crores are pending adjudication. TDSAT has directed DoT not to take any coercive measure for enforcement of the impugned demand notices/invocation of Bank Guarantee in the above four petitions. So far, TTML has received 15 Show Cause Notices ("SCNs") for Rs. 202.1 Crores and 11 Demand Notes for Rs. 201.8 Crores. TTML has filed its reply to all the SCNs.

Wireless Planning Commission ("WPC") Spectrum Dues

- TTML filed a petition before TDSAT challenging the various demand notes raised by WPC, post which the demand was revised from Rs. 185 Crores to Rs. 123 Crores. Revised demand is primarily due to AGR re-assessment, charging of compound interest and levy of penalty (and interest on penalty) on TTML for the period FY 2005-06 to FY 2011-12.

- The matter was listed for final hearing on January 13, 2016 wherein the petition was disposed off with the direction that until the disposal of the Civil Appeal (of other Operators) in the Hon'ble Supreme Court, the Petitioner shall not be compelled to pay penalty with regard to backhaul for Mumbai and Maharashtra and the Respondent shall refrain from taking any coercive steps against TTML.

e-KYC Based Subscriber Verification

- The Hon'ble Supreme Court has asked the Centre to ensure e-KYC based verification of 100% existing subscriber base.

- DoT has issued detailed instructions on this issue on March 23, 2017 and asked the TSPs to complete the exercise by February 6, 2018.

APTEL issue

- The judgment vide Order dated November 3, 2016 by MERC, Case No. 48 of 2016, in matter of MSEDCL for period of FY 2016-17 to FY 2019-20, regarding Commercial Electricity Tariff for Telecommunication Towers, the APTEL, an expert adjudicatory body, set aside the order categorizing the Mumbai Airport as 'commercial'. This is in contravention to the advisory Guidelines to States dated August 8, 2013 issued by DoT, wherein telecom towers have been accorded 'Infrastructure' status by the Government of India and thus, electricity connection was to be provided to BTS site on priority.

- TSPs have made a joint representation to Maharashtra Electricity Regulatory Commission, Mumbai, suggesting that, a separate class to be created for critical infrastructure which can then be placed under a distinct, standalone category for telecom and mobile towers which has been done in the past for railways and ferro-alloy industries and pending consideration for creation of a distinct category, mobile towers must continue to be charged under industrial tariff; else it will have larger ramifications on telecom industry and consequently, will adversely affect telecom consumers.

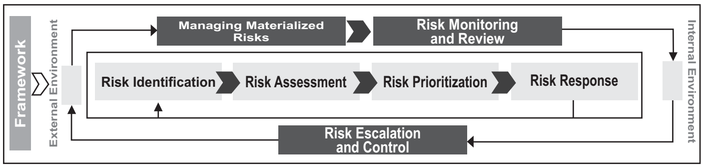
RISKS AND CONCERNS

This section discusses the various aspects of enterprise-wide risks management. It might be noted that the risk related information outlined here is not exhaustive and is for information purpose only.

The Company has formulated a well defined and dynamic Enterprise Risk Management ("ERM") program. The program is governed by a comprehensive risk management policy, which, amongst others, includes the risk management governance structure and the risk management process.

The Central Risk Office actively monitors the risk management process. Results of the risk management activities are periodically presented to the Risk Steering Committee and Audit Committee of the Board of Directors.

The risk management process enables proactive identification, recording, tracking of risks and monitoring of mitigation plans to respond to changes in business and regulatory environment. The risk management process is embedded in all facets of Company's work systems, thereby reassuring all stakeholders, customers, investors, employees and partners of the Company's business sustainability.



The ERM framework aims to realize the following benefits for the organization:

1. Enhance risk management;

2. Facilitate risk based decision making;

3. Improve governance and accountability;

4. Enhance credibility with key stakeholders such as investors, employees, government, regulators, society etc.;

5. Protect and enrich stakeholder value.

The Company is exposed to a number of risks such as regulatory risks, technology risks, financing risks and competition risks. An effective and dynamic risk management process enables the Company to manage and mitigate the impact of these risks. The key risks facing the Company include:

1. Market Risk

In an industry where growth in mobile services was majorly on account of voice services, recent offerings on 4G have shifted the growth path towards data usage and voice over data. The proposed consolidation of several telecom companies and the huge investments made by few competitors in the data space has left us in a weak comparable footing in terms of network investment. The industry is undergoing a consolidation phase with mergers happening between several players including the top 2nd & 3rd operators merging their operations. This process of consolidation is expected to leave only 3-4 large service providers in the market, thereby significantly impacting the smaller operators.

The Company would not be able to make those levels of investments given its current position or provide competitive offerings and consequently would be weaker than many other players in the market which is witnessing growth fuelled with data services.

2. Regulatory Risks

Telecom Policies and Licenses in areas of dual technology, allocation of access and microwave spectrum, EMF radiation, Minimum Rollout obligation, AGR definition and the decision to charge OTSC within contracted quantum of spectrum etc. have led to litigation and these issues are now pending before various courts. There are significant financial penalties under challenge and it carries significant regulatory risk, in case the court judgment goes against the Company.

The proposed implementation of GST w.e.f. July 1, 2017 and the new set of regulations mandate an end-to-end change. The overall readiness encompassing the entire value-chain may have a potential impact on smooth operations of the Company.

3. Technological Risks

The technological outlook in the telecom industry has seen swift changes in the recent past. New services offerings such as 4G have been launched by competition and these products have impacted the existing voice and data offerings of the Company. CDMA technology has continued to witness a gradual decline globally.

The legacy architecture and the absence of vendor support and adequate skill sets to cater to maintenance of the infrastructure leads to higher operational costs. To enable the Company to move in synchrony with the changes in technology significant investments may be required both in spectrum and the network infrastructure.

Recent initiatives of Government with respect to overall infrastructure related developments, especially State & National Highways, etc., could involve extensive realignment and digging of roads and thereby possibly impacting our Optical fiber network, which might result in disruption of services / down-time to our customers.

4. Financing Risks

The Company may not be able to raise adequate capital to meet its capital expenditure and/or for repayment of debt. Further the terms of raising fresh capital may not be in line with past terms and conditions and/or may be subject to such covenants which may be challenging for the Company to adhere to thereby impacting the costs of not only incremental capital but also existing debt adversely. Requirements like 25% minimum public holding hinder investments by Promoters.

The Company has experienced difficulties in its borrowing programs in the past when the telecom sector was faced with uncertainties and continued uncertainty around various business and regulatory parameters may continue to affect the ability of the Company to raise additional funds from Banks and Financial Institutions.

The Company does not meet the financing covenants set under various loan agreements. Discussions are continuing with lenders for waiver of the financial covenants.

5. Competition Risks

The fierce competition in the telecom industry was intensified even further with the entry of a new 4G operator with its aggressive tariffs in September 2016. The response by the large operators of offering services at very aggressive prices to retain customers and market share has had a significant impact on the customer base, revenues and margins of the smaller players like your Company. It would not be feasible for the Company to match and sustain these aggressive price offers viably.

With 2G frequencies (e.g., 1800 MHz) being also deployable for 4G, the competition for spectrum is also intensifying. The Company won this spectrum in the last auction of 2016 in Mumbai and Maharashtra to essentially sustain our 2G customers in the short run. The price premium over Reserve price was significant especially in Mumbai where limited spectrum was on offer in the auction. While the Company will make every effort to sustain and grow its revenues, for factors beyond its control, it may not be successful in meetings its targets.

The market uncertainties have expedited the process of consolidation of telecom operators. Several small players have been acquired by the larger entities and this may potentially impact the Carrier business as the merged entities may utilize the capacities through synergized spectrum / network.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

An Audit Committee of the Board of Directors has been constituted as per the provisions of Section 177 of the Companies Act, 2013 (the “Act”).

The internal audit for various functions/aspects is conducted by the independent firms, which conduct 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 reviewed by the Audit Committee and appropriate actions are taken, wherever necessary.

OPPORTUNITIES AND THREATS

Opportunities

The Indian telecom market underwent some turbulence in terms of revenue with the launch of free services by a new Greenfield 4G operator. However, there is an increased enthusiasm shown by the operators with huge inflows in to industry which indicates potential to diversify service offerings and increased infrastructure to support the emerging technologies in the market.

The increasing focus given by the Government of India on digitalization platforms has given a thrust to the IT companies to develop products and features in the digital world. The backbone of the digital world is the data services offered by telecommunication industry.

The advanced spectrum offering in terms of 3G & 4G bandwidths has enabled seamless communication which has further enabled multiple devices communicating with each other popularly titled the “Internet of Things”. With the steady increase in the higher bandwidths, IoT will soon be a reality in the electronic appliances and the automobile markets.

The launch of e-KYC norms enables online sale of network connections, this will result in a having a customer base who are genuine and authenticated vide their Aadhaar ID, thus bringing scalability and speed in activations as well as efficiency in operations.

The, increase in data volumes and the availability of new applications and services coupled with the increasing penetration of smart phones, is expected to be the key growth enablers in the near future.

Threats

A stable regulatory and economic environment is critical for realizing the telecom sector's growth potential.

Disruptive product and pricing strategies by operators with deep pockets to capture market share remains the primary concern at least in the short-term.

Service cannibalization with data eating into voice and SMS revenues, OTT products continue to impact voice offerings.

The Honorable Supreme Court has decreed Aadhaar based re-verification of customers by February 2018. This may possibly result in increased churn of subscribers base due to failure in re-verification.

HUMAN RESOURCES (“HR”)

The Company continued its focus on employee engagement through “one to one people connect”, “focussing on building functional skills”, “enhancing the effectiveness of reward and recognition program” and “learning and career growth” through structured HR programs. Talent Potential Review Framework was implemented and exercise was completed for eligible employees with identification of potential future roles in the organization.

Continuing the focus on enhancing the quality of HR Services with improved operational and cost efficiency, through process standardization and simplification and end user experience, the Company continued with the centralization of processes. Strengthening internal controls and checks to enhance compliances remained a key focus area through the year.

The Company had a total of 910 employees on its rolls as on March 31, 2017.

QUALITY AND PROCESSES

The Company was awarded ISO 27001:2013 (Information Security Management System) certification and ISO 22301:2012 (Business Continuity Management System) certification by BSI in May 2015. Second surveillance audit was completed successfully in February 2017.
A knowledge repository of business processes (QPR) was created, to enable enhanced customer delivery, at multiple dimensions – Competency building of new process performers, Accelerating re-engineering & process simplification efforts, as a reference for compliance audits and aiding development & enhancement of IT system. eTom framework has now been adopted as the benchmark standard in the Company. Training, awareness program and process development exercise has been undertaken to further update the repository and processes.

The Company chose over 37 projects this year and approached them using the FITT (Framework for Improvement in Tata Teleservices), a tool set developed in-house. Benchmarking and adoption of best practices, both within and outside the industry have been institutionalized as part of FITT framework.

The Company has continued the journey on Certification based Competency Program on Business Excellence. The objective is to build an empowered workforce, with the right competencies, tools and authority to continuously improve their work and business processes in a structured manner. This will ensure a positive impact on critical KPIs relating to customer, profitability or growth and also make structured improvement and process management a way of working, thereby bringing the ability to understand, design and manage the interconnected 'systems perspective' in the middle and senior leadership roles. Operational excellence programs for Junior and middle management are 'QUICK' certification and 'QUICK PLUS' certification; Business excellence programs for Senior management relating to TBEM (Tata Business Excellence Model) form a part of the Competency program.

Relevant Business Excellence and Operational Excellence certification is now an additional criterion for employee growth over and above the career movement guidelines.

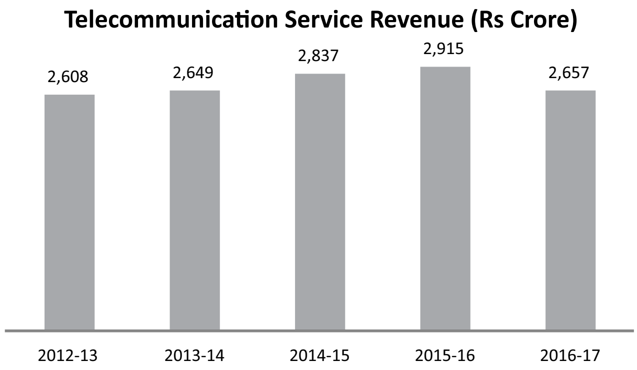
KEY FINANCIAL INFORMATION & OPERATIONAL PERFORMANCE

Revenue from Telecommunications service

As on March 31, 2017, the Company had a total wireless subscriber base of 7.9 Million as compared to previous year level of 9.9 Million. There was a reduction in subscriber base of CDMA technology by about 38% while the subscriber base for GSM reported 12% decline.

CDMA technology is a part of a globally diminishing ecosystem, and has seen a gradual decline in customer base as well as revenue over the last few years. GSM technology, although new for the Company, has been part of a growing ecosystem. There was a significant churn in the Company's wireless subscriber base on account of free services launched by the new entrant for seven months.

This had an adverse impact on the Company's financials as well. Service revenue for the year ended March 31, 2017 decreased to Rs. 2,657 Crores as against Rs. 2,915 Crores in the previous year.



Subscriber churn coupled with reduced tariffs, as a measure to face the competition, the operating revenue reported a fall of 9% during the year.

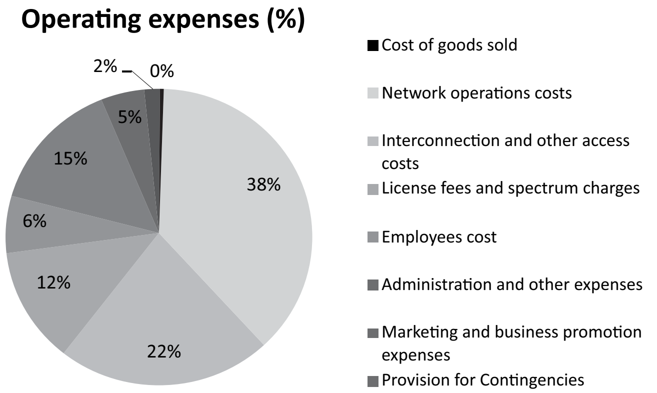
The Company's wireline operations, which contribute ~36% of revenue (up from ~31% in FY16), grew by a healthy rate of 8% during the year. With hyper competition in wireless, growth in wireline services with its robust infrastructure and access fibre to serve the connectivity needs of all businesses acts as hedge. TTL's wide range of wireline data products, acts as 'One Stop Shop' for ICT needs of customers and caters to the connectivity needs of all businesses. Many of TTL's products are industry firsts and have received awards and accolades for innovation besides coverage, services etc. from leading industry forums.

Other Income

Other income during the year stood at Rs. 104 Crores (previous year Rs. 84 Crores) which included income from rendering of services to the tune of Rs. 45 Crores (previous year Rs. 53 Crores).

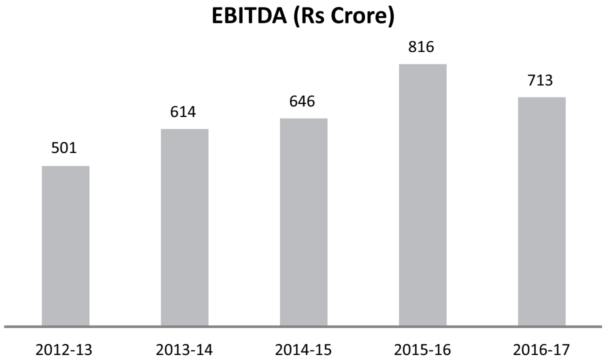
Operating Expenses

Operating expenses including provision for contingencies for the year were recorded at Rs. 2,049 Crores as against Rs. 2,183 Crores in the previous year. The major components of the total operating expenses are as follows –



Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”)

The focus during the last few years for the Company has been on optimizing its operations and increasing the asset utilizations. However, in response to the heavy disruption in the market with the launch of new entrant, the Company rolled out plans with aggressive tariffs in the second half of the year. Consequently, for the first time in 5 years, the Company's EBITDA reported a decline of 12.6% and reduced to Rs. 713 Crores as against Rs. 816 Crores in the previous year. Industry peers too are witnessing similar trends.



Net Loss

The Company's loss before exceptional items was Rs. 1,398 Crores as compared to last year level of Rs. 358 Crores. The Company reported a net loss of Rs. 2,356 Crores during the year after taking a provision of Rs. 959 Crores towards impairment loss on intangible assets and prior period expense.

Balance Sheet

The Shareholders' Funds was Rs. 5,909 Crores (Negative) as at March 31, 2017 against Rs. 3,986 Crores (Negative) as at March 31, 2016.

Total borrowing for the Company (including long term borrowing, short term borrowing, current maturities of long term borrowing and long term debt payable on demand, acceptance, payables under usance letter of credit and deferred spectrum liability including interest) was Rs. 14,606 Crores as compared to Rs. 12,047 Crores in the previous year.

The Net Block (including tangible as well as intangible assets) as at March 31, 2017 increased to Rs. 7,460 Crores as compared to Rs. 3,363 Crores in the previous year primarily from spectrum acquired in the current auction and capitalization of spectrum acquired in March 2015 spectrum auctions. The Company has assets under development and Capital Work in Progress of Rs. 27 Crores.

OUTLOOK

In the long run, the opportunity in telecom with its growth in data and other services continues to be attractive. In the immediate term, the intensity of competition and the capability gap in both spectrum and network vis-à-vis other players have created a challenging environment for the Company. While the Company continues to try and grow revenue profitably, it is constantly evaluating alternate options of creating a more sustainable longer term story for the business.

The broad operating strategy of the Company would revolve around:

1) **Focus on Enterprise Business Segment**

The Company has been striving for the last few years to expand its operating profit margins and various initiatives have already starting bearing fruits of the same. Although efforts are being made to revive the mobility segment that has been severely affected due to market turbulence, the Company shall focus on the wire line and broadband business segments for growth opportunities and continue delivering innovative and best in class services to its customers.

The Company's wireline operations have been a growth driver in the current year. TTML estimates the revenue to grow at healthy rated led by specific focus on asset sweating, cross-selling, retention and upgrade opportunities, product innovation and marketing.

2) **Customer centricity and process improvements**

The Company is plowing a two pronged approach. On one end it is improving the customer's experience with everyday services such as billing, collections, call centers as well as improving the overall experience at all critical touch points with the customer. On the other end, the Company is also concentrating on providing superior services to its best customers which include retention tools and schemes, special help desks at retail stores and empowered employees for faster resolution of any concerns.

3) **Cost Optimization**

The current financial year has been hard hitting on overall industry's profitability, due to significant drop in voice and data realization. Due to continuity of discounted products in the market in the following financial year as well, the profitability of the Company shall primarily rest on its cost optimization initiatives. The Company has undertaken certain measures to reduce both its operating and non-operating costs in the current financial year and will continue to do so in the year ahead.

The aforementioned strategy of the Company is subject to the risks and concerns highlighted above.

Also, to tap the emerging opportunities in new-generation services, the Company has a dedicated team to focus on non-voice services, which will be the driver of revenues and margins in the future. Several services have been launched already such as home surveillance, smart tracking solutions, m-commerce and other machine-to-machine solutions. The changing needs of the customers will necessitate that the Company continue to evolve with the market if they are to truly provide value and remain competitive on a sustained basis.

The expectations in the reports are in the opinion of the management and may not necessarily fructify.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tata Teleservices (MAHARASHTRA) Limited

Report On The Ind As Financial Statements

We have audited the accompanying Ind AS financial statements of Tata Teleservices (Maharashtra) Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   a) We have sought and 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 Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. However, as stated in note 40 to the financial statements amounts aggregating Rs. 1.12 crores as represented to us by the Management have been received from transactions which are not permitted.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
Membership No. 040081

MUMBAI, May 12, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(**Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Teleservices (Maharashtra) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
Membership No. 040081

MUMBAI, May 12, 2017

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

i. In respect of its fixed assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

   b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and The Cost Accounting Records (Telecommunication Industry) Rules, 2011 prescribed by the Central Government under Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

   (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

   (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2017 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, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Crores)	Amount unpaid (Rs. in Crores)
The Income-tax Act, 1961	Income tax demand	Commissioner of Income Tax (Appeal)	2011-12	6.68	6.68
Finance Act	Service tax demand	Custom Excise & Service Tax Appellate Tribunal	April 2007 to March 2014	231.51	221.60
Finance Act	Service tax demand	Commissioner of Service (Appeals) Tax, Mumbai-II	FY 2008-09 to 2011-12	1.31	1.28
Finance Act	Service tax demand	Commissioner Service Tax, Mumbai-II	FY 2008-09 to 2011-12	40.42	40.42
Finance Act	Service tax demand	Commissioner Service Tax, Mumbai	FY 2011-12 to 2014-15	8.50	8.50
Finance Act	Service tax demand	Honourable High Court - Mumbai	FY 2004-05 to 2009-10	2.58	2.58
Maharashtra Value Added Tax Act	Value added tax and central sales tax	Joint commissioner of Sales tax (appeals), Navi Mumbai	2007-08 to 2008-09	0.18	0.16

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

ix. In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. 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 by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company does not pay any managerial remuneration and hence this clause is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the Company has made preferential allotment of preference shares during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
Membership No. 040081

MUMBAI, May 12, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Rs. in crores

	Note No.	**As at March 31, 2017**	As at March 31, 2016	As at April 01, 2015
Assets				
Non-current assets				
(a) Property, plant and equipment	3	**1,592.45**	1,941.83	2,566.08
(b) Capital work-in-progress	3	**26.87**	47.59	46.40
(c) Intangible assets	3	**5,867.50**	1,421.32	959.56
(d) Intangible assets under development		**-**	2,198.23	-
(e) Right to spectrum, earmarked pending allotment	3	**2,476.66**	2,000.47	-
(f) Other financial assets	4	**559.87**	577.56	537.05
(g) Income tax assets	5	**-**	113.81	157.52
(h) Other non-current assets	6	**130.24**	113.74	630.81
Total non-current assets		**10,653.59**	8,414.55	4,897.42
Current assets				
(a) Inventories	7	**2.04**	4.68	12.42
(b) Financial assets				
(i) Investments	8	**679.62**	592.08	-
(ii) Trade receivables	9	**231.30**	290.88	280.08
(iii) Cash and cash equivalents	10	**37.03**	66.99	49.48
(iv) Other financial assets	11	**14.50**	10.80	6.48
(c) Income tax assets	12	**93.86**	-	-
(d) Other current assets	13	**198.38**	81.90	96.21
Total current assets		**1,256.73**	1,047.33	444.67
Total Assets		**11,910.32**	9,461.88	5,342.09
Equity and liabilities				
Equity				
(a) Share capital	14	**1,954.93**	1,954.93	1,954.93
(b) Other equity		**(7,863.77)**	(5,941.12)	(5,582.18)
Total Equity		**(5,908.84)**	(3,986.19)	(3,627.25)
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	**9,977.90**	7,245.35	5,020.54
(ii) Other financial liabilities	16	**684.52**	280.82	-
(b) Long term provisions	17	**4.21**	3.26	4.33
Total non-current liabilities		**10,666.63**	7,529.43	5,024.87
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	**4,305.36**	3,414.11	1,917.44
(ii) Trade payables	19	**584.64**	608.11	647.94
(iii) Other financial liabilities	20	**1,516.83**	1,252.34	773.96
(b) Other current liabilities	21	**113.51**	97.71	97.89
(c) Short term provisions	22	**632.19**	546.37	507.24
Total current liabilities		**7,152.53**	5,918.64	3,944.47
Total equity and liabilities		**11,910.32**	9,461.88	5,342.09

See accompanying notes forming part of the financial statements

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

Saira Nainar
Partner

Place : Mumbai
Date : May 12, 2017

For and on behalf of the Board of Directors

Kishor A. Chaukar
(Chairman)
(DIN No. 00033830)

N. Srinath
(Managing Director)
(DIN No. 00058133)

Kush S. Bhatnagar
(Chief Financial Officer)

Kiran Thacker
(Company Secretary)

Place : Mumbai
Date : May 12, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017 **Rs. in crores**

	Note No.	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
I Income			
(a) Revenue from operations	23	**2,702.91**	2,972.09
(b) Other income	24	**58.47**	26.99
Total Income		**2,761.38**	2,999.08
II Expenses			
(a) Employee benefits expenses	25	**125.90**	119.90
(b) Operating and other expenses	26	**1,881.75**	2,007.43
(c) Cost of goods sold	27	**8.27**	17.67
(d) Provision for contingencies	45	**32.81**	38.30
		2,048.73	2,183.30
III Earning before Interest, Depreciation, Amortization and tax (I - II)		**712.65**	815.78
(e) Depreciation and amortisation expenses	3	**795.82**	459.66
(f) Finance cost	28	**1,282.27**	683.63
(g) Finance income	29	**(18.74)**	(13.71)
(h) Other (gains) / losses	30	**50.95**	44.54
IV Total expenses		**4,159.03**	3,357.42
V Loss before exceptional items and tax		**(1,397.65)**	(358.34)
Exceptional items (refer note 31 (a) and 32)		**958.82**	-
VI Loss before tax		**(2,356.47)**	(358.34)
VII Tax expense		**-**	-
VIII Loss after tax		**(2,356.47)**	(358.34)
Other Comprehensive Income			
Items that may be reclassified to profit and loss			
Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge		**67.79**	-
Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		**(0.39)**	(0.60)
IX Total other comprehensive income		**67.40**	(0.60)
X Total comprehensive income / (loss) for the period (VIII + IX)		**(2,289.07)**	(358.94)
XI Earnings per equity share (Face value of Rs. 10 each) (refer note 43)			
(1) Basic (In Rs.)		**(12.05)**	(1.83)
(2) Diluted (In Rs.)		**(12.05)**	(1.83)

See accompanying notes forming part of the financial statements

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

Saira Nainar
Partner

Place : Mumbai
Date : May 12, 2017

For and on behalf of the Board of Directors

Kishor A. Chaukar
(Chairman)
(DIN No. 00033830)

N. Srinath
(Managing Director)
(DIN No. 00058133)

Kush S. Bhatnagar
(Chief Financial Officer)

Kiran Thacker
(Company Secretary)

Place : Mumbai
Date : May 12, 2017

STATEMENT OF CHANGES IN EQUITY

Rs. in crores

	Equity	Other Equity			
		Securities premium	Retained earnings	Cash flow hedge reserves	Equity component of compound financial instruments
Balance as on April 1, 2015	**1,954.93**	**525.43**	**(6,107.61)**	**-**	**-**
Loss for the year	-	-	(358.34)	-	-
Other comprehensive income/(loss)	-	-	(0.60)	-	-
Balance as on March 31, 2016	**1,954.93**	**525.43**	**(6,466.55)**	**-**	**-**
Balance as on April 1, 2016	**1,954.93**	**525.43**	**(6,466.55)**	**-**	**-**
Loss for the year	-	-	(2,356.47)	-	-
Other comprehensive income/(loss)	-	-	(0.39)		-
Gains/ (loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges				67.90	-
Gains/ (loss) arising on changes in fair value of designated portion of hedging instruments reclassified to profit or loss				(0.11)	-
Issue of 0.1% redeemable preference shares to Investing Company	-	-	-	-	366.42
Balance as on March 31, 2017	**1,954.93**	**525.43**	**(8,823.41)**	**67.79**	**366.42**

See accompanying notes forming part of the financial statements

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

Saira Nainar
Partner

Place : Mumbai
Date : May 12, 2017

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Kiran Thacker
(Company Secretary)

Place : Mumbai
Date : May 12, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	April 1, 2016 to March 31, 2017	Rs in crores April 1, 2015 to March 31, 2016
A Cash flows from operating activities		
Loss before extraordinary items and tax	**(2,356.47)**	(358.34)
Adjustments for :		
Depreciation and amortisation expense	**795.82**	459.66
Impairment of intangible assets	**905.41**	-
Loss on sale of property, plant and equipment	**2.88**	0.99
Gain on financial assets mandatorily measured at FVTPL	**(13.65)**	(28.41)
Interest income on security deposits at amortised cost	**(3.04)**	(2.85)
Hedge ineffectiveness on cash flow hedges	**(4.86)**	-
Loss on derivatives not designated in hedge accounting relationship	**66.58**	71.96
Liabilities / provisions no longer required written back	**(54.70)**	(23.92)
Impairment loss on financial assets	**31.37**	48.02
Provision for contingencies	**86.22**	38.30
Finance cost	**1,282.27**	683.63
	737.83	889.04
Movements in working capital:		
(Increase) / decrease in Inventories	**2.64**	7.74
(Increase) / decrease in Trade receivables	**45.95**	(58.81)
(Increase) / decrease in Other assets	**(136.26)**	(106.65)
Increase / (decrease) in Trade payables	**49.84**	(2.50)
Increase / (decrease) in Other liabilities	**9.39**	(6.30)
Increase / (decrease) in provisions	**0.56**	(0.25)
Cash generated from operations	**709.95**	722.27
Net income tax refund	**19.95**	43.71
Net cash generated from operating activities	**729.90**	765.98
B Cash flow from investing activities		
Payments for property, plant and equipment (including capital advances)	**(897.48)**	(254.13)
Payments for intangible assets under development and right to spectrum earmarked pending allotment	**(1,241.42)**	(354.32)
Proceeds from disposal of property, plant and equipment	**7.64**	1.14
Payments to acquire current investments	**(8,418.44)**	(4,703.28)
Proceeds from disposal of current investments	**8,351.88**	4,128.01
Net cash used for investing activities	**(2,197.82)**	(1,182.58)
C Cash flow from financing activities		
Proceeds from issue of redeemable preference shares	**2,015.98**	-
Proceeds from long term borrowings	**1,280.75**	1,340.02
Repayment of long term borrowings	**(994.16)**	(639.12)
Proceeds from short term borrowings	**2,725.70**	1,867.57
Repayment of short term borrowings	**(3,175.62)**	(1,274.31)
Proceeds / (Repayment) of cash credit accounts (Net)	**396.92**	(171.44)
Finance cost paid	**(811.61)**	(688.61)
Net cash generated from financing activities	**1,437.96**	434.11
Net increase in cash or cash equivalents	**(29.96)**	17.51
Cash and cash equivalents at the beginning of the year	**66.99**	49.48
Cash and cash equivalents at the end of the year	**37.03**	66.99
	(29.96)	17.51

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

Saira Nainar
Partner

Place : Mumbai
Date : May 12, 2017

For and on behalf of the Board of Directors

Kishor A. Chaukar
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Kush S. Bhatnagar
(Chief Financial Officer)

Kiran Thacker
(Company Secretary)

Place : Mumbai
Date : May 12, 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

1. **Background**

   Tata Teleservices (Maharashtra) Limited ("the Company" or "TTML"), was incorporated on March 13, 1995. The Company is licensed to provide basic and cellular telecommunication services. The Company presently holds two Unified Licenses, one for Mumbai Service Area and another for Maharashtra and Goa and provides telecommunication services. The Company also holds 3G spectrum in Maharashtra and Goa circle (excluding Mumbai). The Company has obtained 2 blocks of 1.25 MHz each of 800 MHz in Mumbai and Maharashtra circle. The Company has acquired 5 MHz spectrum in 1800 MHz band in both Mumbai and Maharashtra circles during the auction held in October, 2016.

Note 2:

Significant accounting policies

2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with "Ind AS 101 First-time Adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.2 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accouting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Significant accounting estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

i. Impairment of Property, Plant and Equipment

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU and impairment testing.

ii. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

iii. Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

iv. Contingent Liabilities

The contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company evaluates the obligation through Probable, Possible or Remote model ('PPR'). In making the evaluation for PPR, the Company take into consideration the Industry prespective, legal and technical view, availability of documentation/agreements, interpretation of the matter, independent opinion from professionals (specific matters) etc. which can vary based on subsequent events. The Company provides the liability in the books for probable cases, while possible cases are shown as Contingent Liability. The remote cases are not disclosed in the financial statement.

v. Going Concern

The Company prepares the financial statement on a Going Concern basis assuming the cash flows generation from the continuation of operations, outflow for capital expenditure and the repayment obligations of debt and interest for the next twelve months. In calculating the cash flow generation from the business, certain assumptions are required to be made in

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

respect of highly uncertain matters, including management's expectations of earnings, interest cost and capex outflow to reflect the risks involved. The Company also make certain assumptions regarding the continuation of credit from lenders.

2.4 Revenue

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.

Unbilled revenues resulting from Unified License services provided from the last billing cycle date to the end of each period are estimated and recorded. Revenues from Unified License services rendered through prepaid cards are recognized based on usage by the customers during the year/period and over the validity period in case of upfront collection.

Income from rendering other operating services are recognised as the services performed.

Revenue is recognised when it is earned and it is probable that economic benefit will flow to the Company.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Foreign Currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies on initial recognition are recorded at the prevailing exchange rate between the Company's functional currency and the foreign currency on the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was deteremined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange differences arising on translation of liabilities relating to property, plant & equipment and intangible assets, considered as long-term foreign currency monetary items, are capitalised.

2.6 Interconnect revenues and costs (Access charges)

The TRAI issued Interconnection Usage Charges Regulation 2003 ('IUC regime') effective May 1, 2003 and subsequently amended the same from time to time. Under the IUC regime, with the objective of sharing of call/Short Message Services ('SMS') revenues across different operators involved in origination, transit and termination of every call/SMS, the Company pays interconnection charges (prescribed as rate per minute of call time and per SMS) for all outgoing calls and SMS originating in its network to other operators. The Company receives certain interconnection charges from other operators for all calls and SMS terminating in its network.

Accordingly, interconnect revenues are recognized as those on calls/SMS originating in another telecom operator network and terminating in the Company's network. Interconnect cost is recognized as charges incurred on termination of calls/SMS originating from the Company's network and terminating on the network of other telecom operators. The interconnect revenue and costs are recognized in the financial statement on a gross basis and included in service revenue and access charges in the statement of profit and loss, respectively.

2.7 Revenue sharing fee

Revenue sharing fee is expensed in the statement of profit and loss in the year in which the related revenue from providing Unified License services are recognized.

An additional revenue share towards spectrum charges is computed at the rate specified by the DoT (Department of Telecom)of the Adjusted Gross Revenue ('AGR'), as defined in the License Agreement, earned from the customers. These costs are expensed in the statement of profit and loss in the year in which the related revenues are recognized.

2.8 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable profit for the year which may differ from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, Plant & Equipment

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fee and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

Estimated useful lives of the assets are as follows:

Particulars	Useful life (in years)	
	As per Company	As per Schedule II
Plant and Machinery		
- Network Equipment	12	13
- Air- Conditioning Equipment	6	10
- Generators	6	10
- Electrical Equipments	4-6	10
Office Equipments	3	5
Furniture and Fittings	3	10
Vehicles	5	8

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

License entry fee and Spectrum fees.

The License entry fee/spectrum fees is recognized as an intangible asset and is amortized on straight line basis over the remainder of the license period of 20 years from the date of commencement of commercial operations in the respective circles/spectrum blocks in case of subsequent acquisition. License entry fee/spectrum fees includes interest on funding of license entry fee/spectrum fees and bank guarantee commission up to the date of commencement of commercial operations in the respective Circles. Spectrum fees also include exchange differences arising on reporting of the long term foreign currency monetary items (refer note 2.5). Fees paid for migration of the original licenses to the Unified Access Services License ("UASL") is amortized over the remaining period of the license of 20 years for the respective circles from the date of migration to UASL / payment of the license fees on straight line basis. Fees paid for obtaining in-principle approval to use alternate technology under the existing UASL is recognized as an intangible asset and is amortized from the date of commercial launch over the balance remaining period of the UASL license on straight line basis for the respective circles. The fees paid for 3G Spectrum have been recognized as an intangible asset and is amortized from the date of commercial launch over a remaining period of 20 years on straight line basis for respective circles. The Company has paid license fee for migration to Unified License which is amortised on straight line basis over the remainder of the license period of 20 years.

Indefeasible Right to Use ('IRU') taken for optical fiber and ducts, by the Company are capitalized as intangible assets at the amounts paid for acquiring the right and are amortized on straight line basis, over the period of agreement or fifteen years, whichever is lower.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

prospective basis.The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

With respect to capitalization of exchange differences arising on reporting/settlement of the long term foreign currency monetary items, refer note 2.5.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.11 Impairment of tangible and intangible assets

At the end of each reporting period, tangible and intangible assets which are subject to depreciation or amortization are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognised in profit or loss by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, including interest attributable to the funding of license fees/spectrum fees up to the date of commencement of commercial operations or commercial use of the spectrum, are capitalized as a part of the cost of that asset until such time the assets are substantially ready for their intended use. The accounting treatment of loan arrangement fees has been discussed in Note 2.18 to the financial statements.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.13 Leases

Company as a lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

IRU taken for dark fiber, duct and embedded electronics are treated as finance lease (purchase of intangible assets), where the IRU term substantially covers the estimated economic useful life of the asset and the routes are explicitly identified in the agreement. The cases where the estimated economic useful life does not significantly represent the life of the asset, the IRU is treated as operating lease provided the routes are explicitly identified.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Company as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

IRU granted for dark fiber, duct and embedded electronics are treated as finance lease (sale of intangible assets), where the IRU term substantially covers the estimated economic useful life of the asset and the routes are explicitly identified in the agreement. The profit on sale of assets is recognized over the term of the contract. The cases where the IRU term does not significantly represent the estimated useful life of the asset, the IRU is treated as operating lease.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.14 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all applicable overheads in bringing the inventories to their present location and condition. Customs duty on imported purchases is treated as part of the cost of inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to make the sale.

2.15 Provisions

A provision is recognized for a present obligation as a result of past event (legal or constructive), it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainities surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.16 Employee benefits

2.16.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense.' Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognises any related restructuring costs.

2.16.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

2.16.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered/reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

2.17 Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid

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to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.18 Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test
  The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test
  The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Redeemable preference shares

The redeemable preference shares issued by the Company is a compound financial instrument and is classified separately as financial liability and equity in accordance with the substance of the contractual arragement and the definitions of a financial liability and an equity instrument. At the date of issue, fair value of the liability component is estimated using the pervailing market interest rate of a similar non-compound instrument. This amount is recognised as liability on an amortised cost basis using the effective interest rate method until extinguished at the instrument's maturity date. The difference between the fair value of the liability component at the date of issue and the issue price is recognised as the other equity.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets

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and settle the liabilities simultaneously.

iv) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characterstics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss (FVTPL).

v) Hedge accounting

The Company designates its derivatives as hedging instruments, as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recgonised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

2.19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.20 Loss per share

Basic loss per share is calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.21 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.22 Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 :

(i) Property, plant and equipment

Rs. in crores

PARTICULARS	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at April 01, 2016	Additions	Deletions	Effect of foreign currency exchange differences	Other Adjustments	As at March 31, 2017	Upto March 31, 2016	For the year	Impairment loss recognised in statement of profit and loss	Deletions	Other Adjustments	Upto March 31, 2017	As at March 31, 2017
Freehold Land	0.17	-	-	-	-	0.17	-	-	-	-	-	-	0.17
Office premises	6.86	-	-	-	-	6.86	2.24	0.12	-	-	-	2.36	4.50
Buildings	17.10	-	-	-	-	17.10	2.66	0.28	-	-	-	2.94	14.16
Plant and Machinery	5,231.85	83.85	16.13	-	62.81	5,236.76	3,310.95	390.94	-	11.44	27.28	3,663.17	1,573.59
Furniture, Fixtures and Office Equipment	121.03	0.39	0.04	-	-	121.38	119.33	2.05	-	0.03	-	121.35	0.03
Vehicles	0.20	-	-	-	-	0.20	0.20	-	-	-	-	0.20	-
Total	**5,377.21**	**84.24**	**16.17**	**-**	**62.81**	**5,382.47**	**3,435.38**	**393.39**	**-**	**11.47**	**27.28**	**3,790.02**	**1,592.45**

The amount of compensation from insurance companies for items of property, plant and equipment that were destroyed, lost or given up is Rs. 0.47 crore for the year ended March 31, 2017 (previous year Rs. Nil).

(ii) Intangible assets (other than internally generated)

Rs. in crores

PARTICULARS	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at April 01, 2016	Additions	Deletions	Effect of foreign currency exchange differences	Other Adjustments	As at March 31, 2017	Upto March 31, 2016	For the year	Impairment loss recognised in statement of profit and loss	Deletions	Other Adjustments	Upto March 31, 2017	As at March 31, 2017
Licenses and spectrum	2,527.26	5,770.44	-	(52.86)	62.81	8,307.65	1,178.58	391.77	905.41	-	27.28	2,503.04	5,804.61
Indefeasible Rights of Use ('IRU')	152.47	0.81	-	-	-	153.28	80.03	10.59	-	-	-	90.62	62.66
Computer Software	40.76	0.10	-	-	-	40.86	40.56	0.07	-	-	-	40.63	0.23
Total	**2,720.49**	**5,771.35**	**-**	**(52.86)**	**62.81**	**8,501.79**	**1,299.17**	**402.43**	**905.41**	**-**	**27.28**	**2,634.29**	**5,867.50**

The amount of borrowing costs capitalised during the year ended March 31, 2017 is Rs. Nil (March 31, 2016: Rs. 381.42 crores, April 1, 2015: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.86% which is the effective interest rate of the specific borrowings.

License and spectrum held by the Company:
Additions during the year:
During the financial year 2016-17, the Company has capitalised followings in Licenses and spectrum:

- 2 blocks of 800 MHz in Mumbai and Maharashtra of carrying value Rs. 3,989.47 crores as at March 31, 2017.
- The Company has acquired 5 MHz of 1800 MHz spectrum in Mumbai and Maharashtra each. DoT has allotted 0.6 MHz & 4 MHz spectrum in Mumbai & Maharashtra respectively. The carrying value of the spectrum alloted is Rs. 1,538.90 crores as at March 31, 2017. The balance spectrum has been shown as "Right to spectrum, earmarked pending allotment".
- The Company has paid and capitalised license fee of Rs. 2.30 crores for migration to Unified License (carrying value Rs. 2.25 crores as at March 31, 2017).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Apart from the above additions during the year, Licenses and spectrum held by the Company includes followings:

Rs. in crores

	Carrying value as at		
Nature of Licenses and spectrum	**March 31, 2017**	March 31, 2016	April 1, 2015
Unified Service Access License fee (now migrated to Unified License) for Mumbai Service Area and Maharashtra and Goa Service Area	**12.67**	38.07	63.55
GSM license fee for Mumbai Service Area, Maharashtra and Goa Service Area	**22.97**	69.03	115.22
3G spectrum for Maharashtra circle (including Goa)	**684.78**	735.78	786.92

Effects of foreign currency exchange differences:
Please refer note 33 regarding adjustment of foreign exchange differences.

The above assets have been pledged to secure borrowings for the Company (Refer note 15 and 18).

(iii) Capital Work-In-Progress

Rs. in crores

PARTICULARS	**As at March 31, 2017**
Capital inventory [net of provision for obsolescence of Rs. 2.44 crores (previous year Rs. 1.63 crores)]	23.86
Assets under construction	3.01
Total	**26.87**
Grand Total	**7,486.82**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 :

(i) Property, plant and equipment

Rs. in crores

PARTICULARS	GROSS BLOCK						DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01, 2015	Additions	Deletions	Effect of foreign currency exchange differences	Other Adjustments	As at March 31, 2016	Upto March 31, 2015	For the year	Deletions	Other Adjustments	Upto March 31, 2016	As at March 31, 2016
Freehold Land	0.17	-	-	-	-	0.17	-	-	-	-	-	0.17
Office premises	6.86	-	-	-	-	6.86	2.13	0.11	-	-	2.24	4.62
Buildings	17.10	-	-	-	-	17.10	2.38	0.28	-	-	2.66	14.44
Plant and Machinery	5,672.03	167.45	34.60	-	573.03	5,231.85	3,129.56	331.43	32.22	117.82	3,310.95	1,920.90
Furniture, Fixtures and Office Equipment	121.42	1.37	1.76	-	-	121.03	117.43	3.66	1.76	-	119.33	1.70
Vehicles	0.34	-	0.14	-	-	0.20	0.34	-	0.14	-	0.20	-
Total	5,817.92	168.82	36.50	-	573.03	5,377.21	3,251.84	335.48	34.12	117.82	3,435.38	1,941.83

(ii) Intangible assets (other than internally generated)

Rs. in crores

PARTICULARS	GROSS BLOCK						DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01, 2015	Additions	Deletions	Effect of foreign currency exchange differences	Other Adjustments	As at March 31, 2016	Upto March 31, 2015	For the year	Deletions	Other Adjustments	Upto March 31, 2016	As at March 31, 2016
Licenses and spectrum	1,823.68	-	-	130.55	573.03	2,527.26	947.33	113.43	-	117.82	1,178.58	1,348.68
Indefeasible Rights of Use ('IRU')	152.47	-	-	-	-	152.47	69.35	10.68	-	-	80.03	72.44
Computer Software	40.58	0.18	-	-	-	40.76	40.49	0.07	-	-	40.56	0.20
Total	2,016.73	0.18	-	130.55	573.03	2,720.49	1,057.17	124.18	-	117.82	1,299.17	1,421.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Capital Work-In-Progress

Rs. in crores

PARTICULARS	As at March 31, 2016
Capital inventory [net of provision for obsolescence of Rs. 1.63 crores (previous year Rs. 4.03 crores)]	38.34
Assets under construction	9.25
Total	47.59
Grand Total	3,410.74

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 4 :			
Other non-current financial assets			
Premises and other deposits (at amortized cost)			
Unsecured	**28.92**	51.59	44.88
Doubtful	**19.14**	1.79	1.64
Less : Allowance for doubtful deposits	**19.14**	1.79	1.64
	28.92	51.59	44.88
Fixed deposits with original maturity more than 12 months	**0.01**	0.01	0.01
Amount paid under dispute	**530.94**	525.96	492.16
	559.87	577.56	537.05
Note 5 :			
Income tax assets			
Tax deducted at source	**-**	113.81	157.52
	-	113.81	157.52
Note 6 :			
Other non-current assets			
Capital advances	**1.00**	0.50	600.62
Prepaid expenses	**13.54**	16.71	19.72
Balance with government authorities	**97.54**	-	-
Amount paid under dispute to tax authorities	**18.16**	96.53	10.47
	130.24	113.74	630.81
Note 7 :			
Inventories			
(At lower of cost and net realisable value)			
Starter Kits	**0.94**	0.98	1.75
Handsets & accessories	**1.10**	3.70	10.67
	2.04	4.68	12.42
Note 8 :			
Current Investments - Mutual Fund (measured at fair value through profit and loss)			
Investments in Mutual Fund (Quoted)	**679.62**	592.08	-
	679.62	592.08	**-**

	Units			Fair value		
Mutual Fund Name	**As at March 31, 2017**	As at March 31, 2016	As at April 01, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 01, 2015
Axis Liquid Fund - Direct Plan Growth	**396,177**	36,002	-	**71.44**	6.05	-
Birla Sun Life Cash Plus-Direct Plan Growth	**5,741,945**	5,176,823	-	**150.04**	125.96	-
ICICI Prudential Liquid - Growth	**-**	14,349,632	-	**-**	300.72	-
Kotak Floater Short Term - Direct Plan Growth	**374,724**	231,177	-	**100.03**	57.48	-
SBI Premium Liquid fund	**-**	427,863	-	**-**	101.87	-
Invesco India Liquid Fund - Direct Plan Growth	**44,681**	-	-	**10.00**	-	-
Tata Money Market Fund - Direct Plan Growth	**1,358,180**	-	-	**348.11**	-	-
	7,915,707	20,221,497	-	**679.62**	592.08	**-**

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 9 :			
Trade Receivables			
Unsecured, considered good	**231.30**	290.88	280.08
Doubtful	**184.74**	175.90	129.72
Less: Allowance for doubtful trade receivables	**184.74**	175.90	129.72
	231.30	290.88	280.08

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. For terms and conditions relating to related party receivables, refer note 37.

Trade receivables are non-interest bearing and are generally on terms of 18 to 90 days.

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The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Ageing of receivables

Particulars	**As at March 31, 2017 Rs. in crores**	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
0-90 days past due	**156.62**	181.41	213.56
91-180 days past due	**41.59**	112.37	49.64
> 180 days	**217.83**	173.00	146.61
Total	**416.04**	466.78	409.81

Movement in expected credit loss allowance

Particulars	**Year ended March 31, 2017 Rs. in crores**	Year ended March 31, 2016 Rs. in crores
Balance at beginning of the year	**175.90**	129.72
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**8.84**	46.18
Balance at end of the year	**184.74**	175.90

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 10 :			
Cash and cash equivalents			
Cash in hand	**0.37**	0.67	0.17
Cheques on hand	**6.57**	15.36	4.17
Balance with banks in			
- Current accounts	**30.08**	30.24	44.85
- Cash credit accounts	**0.01**	20.72	0.29
Total cash and cash equivalents	**37.03**	66.99	49.48

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 11 :			
Other current financial assets			
Derivative designated and effective as hedging instruments carried at fair value			
Cross Currency Interest Rates Swaps	**1.00**	-	-
Derivative not designated in hedge accounting relationship			
Cross Currency Interest Rates Swaps	**-**	4.07	-
	1.00	4.07	-
Premises and other deposits (at amortized cost)			
Unsecured	**13.50**	6.73	6.48
Doubtful	**0.47**	0.07	0.22
Less : Allowance for doubtful deposits	**0.47**	0.07	0.22
	13.50	6.73	6.48
	14.50	10.80	6.48
Note 12 :			
Income tax assets			
Tax deducted at source	**93.86**	-	-
	93.86	-	-
Note 13 :			
Other current assets			
Advances to employees	**0.23**	0.18	0.29
Balance with government authorities	**155.85**	37.45	42.71
Prepaid expenses	**19.55**	21.20	17.99
Advances to suppliers			
Unsecured	**22.75**	23.07	35.22
Doubtful	**4.32**	4.32	2.49
Less : Allowance for doubtful advances	**4.32**	4.32	2.49
	22.75	23.07	35.22
	198.38	81.90	96.21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Numbers	**Rs. in crores**	Numbers	Rs. in crores	Numbers	Rs. in crores
Note 14 :						
Share Capital						
a) Authorised, issued, subscribed and paid up share capital						
Authorised						
Equity shares of Rs.10/- each with voting rights	**2,500,000,000**	**2,500.00**	2,500,000,000	2,500.00	2,500,000,000	2,500.00
Preference shares of Rs.100/- each	**300,000,000**	**3,000.00**	-	-	-	-
	2,800,000,000	**5,500.00**	2,500,000,000	2,500.00	2,500,000,000	2,500.00
Issued, subscribed and paid up	**1,954,927,727**	**1,954.93**	1,954,927,727	1,954.93	1,954,927,727	1,954.93
Equity shares of Rs.10/- each fully paid-up with voting rights						
	1,954,927,727	**1,954.93**	1,954,927,727	1,954.93	1,954,927,727	1,954.93
b) Reconciliation of the number of equity shares outstanding:						
Equity shares outstanding at the beginning of the year	**1,954,927,727**	**1,954.93**	1,954,927,727	1,954.93	1,954,927,727	1,954.93
Issued during the year	**-**	**-**	-	-	-	-
Decrease during the year	**-**	**-**	-	-	-	-
Equity shares outstanding at the end of the year	**1,954,927,727**	**1,954.93**	1,954,927,727	1,954.93	1,954,927,727	1,954.93

c) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

d) Equity shares held by the holding company and its subsidiaries and associates:

Of the above, 1,233,697,483 equity shares are held by Tata Sons Limited (the holding company*) and its subsidiaries and associates as follows:

Name of the Shareholder	**Relationship**	**As at March 31, 2017**	As at March 31, 2016	As at April 01,2015
Tata Sons Limited	Holding company	**382,759,467**	382,759,467	382,759,467
Tata Teleservices Limited	Subsidiary of holding company	**714,317,891**	714,317,891	714,317,891
The Tata Power Company Limited	Associate of holding company	**136,602,275**	137,263,174	137,263,174
Panatone Finvest Limited	Subsidiary of holding company	**17,850**	17,850	17,850

* Tata Sons Limited is the holding company as per definition given in section 2(46) of the Companies Act, 2013, but it is not a holding company as per Ind AS 110. However, Tata Sons Limited and Tata Teleservices Limited are considered as entities having significant influence as per definition stated in Ind AS 28.

e) Details of equity shares held in the Company by each shareholder holding more than 5% shares

Name of the Shareholder	**As at March 31, 2017**		As at March 31, 2016		As at April 01, 2015	
	No of shares held	**% of holding**	No of shares held	% of holding	No of shares held	% of holding
Tata Teleservices Limited	**714,317,891**	**36.54**	714,317,891	36.54	714,317,891	36.54
Tata Sons Limited	**382,759,467**	**19.58**	382,759,467	19.58	382,759,467	19.58
NTT Docomo Inc.	**229,856,926**	**11.76**	229,856,926	11.76	229,856,926	11.76
The Tata Power Company Limited	**136,602,275**	**6.99**	137,263,174	7.02	137,263,174	7.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Numbers	**Rs. in crores**	Numbers	Rs. in crores	Numbers	Rs. in crores
f) Reconciliation of the number of preference shares outstanding:						
Preference shares outstanding at the beginning of the year	**-**	**-**	-	-	-	-
Issued during the year	**201,800,000**	**2,018.00**	-	-	-	-
Decrease during the year	**-**	**-**	-	-	-	-
Preference shares outstanding at the end of the year	**201,800,000**	**2,018.00**	-	-	-	-

During the year, the Company issued non cumulative redeemable preference shares for the tenure of 23 months to Tata Teleservices Limited with dividend of 0.1% per annum. The equity portion of these redeemable preference shares, on account of dividend percentage being lower than effective market rate, is recorded in Other equity.

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 15 :			
Non current financial liabilities - Borrowings			
<u>Secured - at amortised cost</u>			
(a) Term Loans - from banks (Gross)	**2,302.06**	2,019.78	3,159.56
Less: Current maturities of long term debt	**722.95**	794.15	638.96
Less: Long term debt payable on demand	**379.24**	455.79	-
	1,199.87	769.84	2,520.60
(b) Term Loans - from Others (Financial Institutions)	**1,000.00**	1,000.00	-
Less: Current maturities of long term debt	**125.00**	-	-
	875.00	1,000.00	-
(c) External Commercial Borrowings (ECB)	**2,269.05**	2,321.90	2,191.35
Less: Long term debt payable on demand	**1,620.75**	663.40	-
	648.30	1,658.50	2,191.35
(d) Foreign Currency Non Resident Loans (FCNR)	**203.80**	208.54	196.82
Less: Current maturities of long term debt	**203.80**	-	-
	-	208.54	196.82
(e) Vendor financing (refer note 18)	**-**	4.83	11.77
<u>Unsecured - at amortised cost</u>			
(a) Term Loans - from banks (Gross)	**200.00**	200.00	100.00
Less: Current maturities of long term debt	**200.00**	200.00	-
	-	-	100.00
(b) Non - Convertible Debentures	**743.46**	740.68	-
Less: Long term debt payable on demand	**100.00**	-	-
	643.46	740.68	-
(c) Deferred payment liabilities for spectrum (refer note 32)	**4,880.96**	2,862.96	-
(d) Liability component of redeemable preference shares	**1,730.31**	-	
	9,977.90	7,245.35	5,020.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes :

Long-Term Borrowings - Secured

(a) Term Loans from banks

i) Stipulated securities for the loans are first pari passu charge on the assets of the Company and one or more of the following as per terms of the arrangements with respective banks:-

- 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 and material project contracts;
- by sponsor support undertaking of Tata Sons Limited of Rs. 400 crores.

ii) Terms of repayment :-
- Term loans from some banks are repayable in 36 quarterly installments by January 2019.
- Term loan from one bank is repayable in 28 quarterly installments by March 2028.
- Term loan from one bank is repayable in 4 half yearly installments ending on October 2017.
- Term loan from one bank is repayable in bullet installment on June 2019.

iii) Interest rate :-
- Interest rate for term loan from banks is in the range of 9.20% to 10.75% p.a.

(b) Term loan from Financial Institutions

i) Stipulated securities for the loans are first pari passu charge on the assets of the Company and one or more of the following as per terms of the arrangements with respective financial institutions:-

- 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 and material project contracts.

ii) Terms of repayment :-

- One term loan is repayable in 28 quarterly installments ending on March 2026.
- Term loan from one financial institution is repayable in 4 equal quarterly installments ending on December 2018.
- Term loan from one financial institution is repayable in 36 quarterly installments by January 2019.

iii) Interest rate :-
- Interest rate for term loan is in the range of 10.25% to 10.65% p.a.

(c) External Commercial Borrowings (ECB)

i) Stipulated securities for the loans are first pari passu charge on the assets of the Company and one or more of the following as per terms of the arrangements with respective banks:

- 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 and material project contracts;
- by sponsor support undertaking of Tata Sons Limited of Rs. 400 crores.

ii) Terms of repayment :-
- ECB loans are repayable in 3 annual installments commencing from March 2020

iii) Interest rate :-
- Interest rate on ECB is linked to 6 months LIBOR + Spread (Spread not exceeding 4.2% p.a)

(d) Foreign Currency Non Resident Loans (FCNR)

i) Stipulated securities for the loans are first pari passu charge on the movable assets of the Company and assignment of insurance policies and material project contracts

ii) Terms of repayment :-
- FCNR loan is fully repayable on December 2017

iii) Interest rate :-
- Interest rate on FCNR is linked to 3 months LIBOR + Spread of 3.00% p.a.

Long-Term Borrowings - Unsecured

(a) Term Loans from banks

i) Terms of repayment :-
- One term loan fully repayable in September 2017
- One term loan fully repayable in March 2018

ii) Interest rate :-
- Interest rate for long term loan from banks is in the range of 10.00% to 10.25% p.a.

(b) Non - Convertible Debentures (NCDs)

i) Terms of repayment :-
- NCDs are repayable in 3 equal annual installments from May 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii) Interest rate :-
- Interest rate for NCDs is 11.30% p.a.

(c) Deferred payment liabilities for spectrum (DPL)

i) Terms of repayment :-
- DPL of March 2015 is repayable in 10 annual installments starting from April 2018.
- DPL of October 2016 is repayable in 10 annual installments starting from October 2019.

ii) Interest rate :-
- Effective interest rate for DPL is 9.30% to 10.00% p.a.

(d) During the year, the Company issued non cumulative redeemable preference shares for the tenure of 23 months to Tata Teleservices Limited with dividend of 0.1% per annum. The equity portion of these redeemable preference shares, on account of dividend percentage being lower than effective market rate, is recorded in Other equity.

The Company has not been able to satisfy the financial covenants stated in agreements with lenders of long term borrowings and lenders of External Commercial Borrowings (ECB) which may result in loans aggregating Rs. 2,099.99 crores (previous year Rs. 1,119.19 crores) being recalled by the lenders.

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 16 :			
Other financial liabilities			
Interest accrued but not due (refer note 32)	**684.52**	280.82	-
	684.52	280.82	-
Note 17 :			
Long-term provisions			
Provision for employee benefits			
For compensated absences	**2.63**	2.37	3.44
Others			
For asset retirement obligation (site restoration cost)	**1.58**	0.89	0.89
	4.21	3.26	4.33
Note 18 :			
Current financial liabilities - Borrowings			
(a) Secured - at amortised cost			
From Banks			
(i) Short-Term Loans	**1,325.82**	701.47	853.00
(ii) Long term debt payable on demand (refer note 15)	**1,999.99**	1,119.19	-
(iii) Cash Credit Accounts	**398.68**	1.76	173.20
(iv) Buyers' Credit	**75.31**	114.99	159.02
(v) Bill discounting	**66.41**	78.23	56.62
(vi) Vendor financing	**17.62**	37.38	100.51
	3,883.83	2,053.02	1,342.35
(b) Unsecured - at amortised cost			
From Banks			
(i) Short-Term Loans	**300.00**	1,300.00	423.94
(ii) Long term debt payable on demand (refer note 15)	**100.00**	-	-
(iii) Buyers' Credit	**21.53**	61.09	151.15
	421.53	1,361.09	575.09
	4,305.36	3,414.11	1,917.44

Notes :

Short-Term Borrowings - Secured

Stipulated securities for the loans are first pari passu charge on the movable assets of the Company

(i) Short-Term Loans
- Interest rate for short term loan is in the range of 8.60% to 10.75% p.a.

(ii) Cash Credit Accounts
- Interest rate for cash credit is in the range of bank base rate / MCLR + 0.00% to 2.50% p.a.

(iii) Buyers' Credit
- Buyers' credit is linked with LIBOR + Spread as applicable

(iv) Bill discounting
- Interest rate for bill discounting is in the range of 7.80% to 8.10% p.a.

(v) Vendor financing
- Interest rate for vendor financing is in the range of 0.70% to 5.65% p.a.

Short-Term Borrowings - Unsecured

(i) Short-Term Loans
- Interest rate for short term loan is in the range of 9.00% to 9.25% p.a.

(ii) Buyers' Credit
- Buyers' credit is linked with LIBOR + Spread as applicable

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 19 :			
Trade Payables			
Total outstanding dues of Micro, Small and Medium Enterprises	**1.74**	1.23	0.13
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	**567.98**	572.98	597.51
Payables on purchase of fixed assets	**14.92**	33.90	50.30
	584.64	608.11	647.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade payables are non interest bearing and settled within normal credit period of 90 days

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores	As at April 01, 2015 Rs. in crores
Note 20 :			
Other current financial liabilities			
Interest Rate Swaps designated in hedge accounting relationships	**9.43**	-	-
Derivatives not designated in hedge accounting relationships			
Foreign exchange forward contracts	**83.07**	16.16	12.42
Interest Rate Swaps	**-**	73.08	16.35
Cross Currency Interest Rates Swaps	**-**	-	8.64
Total financial derivatives liabilities	**92.50**	89.24	37.41
Current maturities of long term debt (refer note 15)	**1,251.74**	994.15	638.96
Interest accrued but not due	**117.19**	112.65	34.96
Temporary overdrawn bank balances as per books	**0.11**	0.12	5.61
Deposits from customers	**55.29**	56.18	57.02
	1,516.83	1,252.34	773.96
Note 21 :			
Other current liabilities			
Income received in advance	**102.72**	94.05	90.37
Statutory liabilities	**10.79**	3.66	7.52
	113.51	97.71	97.89
Note 22 :			
Short-term provisions			
Provision for employee benefits			
(i) For compensated absences	**0.92**	0.98	0.75
(ii) For gratuity	**2.97**	3.31	2.72
Provision for contingencies	**628.30**	542.08	503.77
	632.19	546.37	507.24

	April 1, 2016 to March 31, 2017 Rs. in crores	April 1, 2015 to March 31, 2016 Rs. in crores
Note 23 :		
Revenue from operations		
(a) Telecommunication services		
(i) Telephony	**2,450.00**	2,517.14
(ii) Internet services	**-**	190.02
(iii) Interconnection usage charges	**199.08**	191.44
(iv) Sale of traded goods	**8.34**	16.52
	2,657.42	2,915.12
(b) Other operating income		
(i) Income from rendering of services	**45.00**	53.18
(ii) Infrastructure sharing	**0.49**	3.79
	45.49	56.97
	2,702.91	2,972.09
Note 24 :		
Other income		
(i) Excess provision / sundry credit balances in respect of earlier years written back	**54.70**	23.92
(ii) Miscellaneous receipts	**3.77**	3.07
	58.47	26.99
Note 25 :		
Employee benefits expenses		
(a) Salaries and bonus	**113.65**	106.86
(b) Contribution to provident and other funds	**5.28**	5.02
(c) Staff welfare	**6.97**	8.02
	125.90	119.90
Note 26 :		
Operating and other expenses		
(a) Network operation costs		
(i) Repairs and maintenance - plant and machinery	**123.67**	137.12
(ii) Power	**216.93**	194.40
(iii) Rates and taxes	**1.81**	1.81
(iv) Insurance	**1.25**	1.18
(v) Infrastructure sharing cost	**382.51**	397.34
(vi) Miscellaneous	**52.41**	46.03
	778.58	777.88
(b) Interconnection and other access costs	**449.64**	485.92
(c) License fees and spectrum charges	**254.92**	291.72
(d) Administrative and other expenses		
(i) Rent	**12.50**	13.41
(ii) Rates and taxes	**10.82**	7.12
(iii) Repairs and maintenance -others	**16.77**	20.14
(iv) Travel and conveyance	**8.05**	8.60
(v) Collection / credit verification charges	**23.07**	31.41
(vi) Customer service and other direct cost	**128.66**	121.69
(vii) Legal and professional fees	**22.21**	17.15
(viii) Impairment loss on financial assets	**31.37**	48.02
(ix) Miscellaneous expenses	**46.71**	51.17
	300.16	318.71

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	April 1, 2016 to March 31, 2017 Rs. in crores	April 1, 2015 to March 31, 2016 Rs. in crores
(e) Marketing and business promotion expenses		
(i) Advertisement and business promotion expenses	**13.69**	27.68
(ii) Sales commission and expenses	**73.75**	90.79
(iii) Traded goods - starter kits:		
Opening stock	**0.98**	1.75
Add: Purchases	**10.97**	13.96
Less: Closing stock	**0.94**	0.98
	11.01	14.73
	98.45	133.20
	1,881.75	2,007.43
Note 27 :		
Cost of goods sold		
Traded goods - Handsets & accessories:		
Opening stock	**3.70**	10.67
Add: Purchases	**5.67**	10.70
Less: Closing stock	**1.10**	3.70
	8.27	17.67
Note 28 :		
Finance cost		
(a) Interest expense		
On Term loans	**663.26**	554.12
On Debentures	**87.30**	73.14
On Cash credit accounts	**4.69**	0.69
On Acceptances	**5.65**	5.25
On Deferred payment liabilities	**403.70**	-
On Redeemable preference shares	**80.75**	-
On Others	**(0.10)**	0.47
(b) Expenses for loan arrangement, bill discounting and bank charges	**16.89**	19.49
(c) Net foreign exchange	**20.13**	30.47
	1,282.27	683.63
Note 29 :		
Finance Income		
(i) Interest on income tax refund	**15.70**	10.86
(ii) Interest income on security deposits at amortised cost	**3.04**	2.85
	18.74	13.71
Note 30 :		
Other gains and losses		
(i) Gain/(loss) on financial assets mandatorily measured at FVTPL	**13.65**	28.41
(ii) Gain/ (loss) on property, plant and equipment sold / written off (Net)	**(2.88)**	(0.99)
(iii) Hedge ineffectiveness on cash flow hedges	**4.86**	-
(iv) Gain/(loss) on derivatives not designated in hedge accounting relationship	**(66.58)**	(71.96)
	(50.95)	(44.54)

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores
31 Commitments and contingencies		
I) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible assets	**27.66**	40.52
II) Contingent Liabilities:		
i) Claims against the Company not acknowledged as debt (refer notes below)		
Telecom regulatory matters*	**1,066.31**	509.41
Others**	**195.15**	260.68

* Amounts are net of provision for contingencies made aggregating Rs. 424.70 crores (previous year Rs. 393.45 crores)

** Amounts are net of provision for contingencies made aggregating Rs 203.60 crores (previous year Rs 148.63 crores)

Bank guarantees	**29.80**	44.23

Notes:

Contingent liabilities include:

a) Bharat Sanchar Nigam Limited (BSNL) issued demand notices to pay Access Deficit Charge (ADC) aggregating Rs.166.90 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 a petition before the Hon'ble Telecom Dispute Settlement Appellate Tribunal (TDSAT) in this regard, wherein the TDSAT disallowed the Company's petition and held that ADC is payable on such calls. Thereafter, the Company filed an appeal before the Hon'ble Supreme Court (SC) who vide order dated April 30, 2008 confirmed that Walky service of TTML is WLL (M) and 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 Competent authority. The Company had filed a review petition in SC which was rejected.

The Company thereafter, filed a petition in TDSAT to determine / reconcile amounts payable to each other and 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's appeal before SC against the aforesaid TDSAT order dated April 15, 2010 was admitted by the SC vide its order dated July 23, 2010

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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. The matter will be listed for hearing. Based on the legal advice available with the Company, the penalty clause invoked by BSNL does not apply and the Company is entitled to seek refund of Rs. 50.73 crores, the excess ADC amount paid to BSNL along with interest. During the year, the Company has re-assessed its position on the excess amount paid to BSNL/MTNL of Rs. 53.41 crores and has provided the same as exceptional item in the statement of profit and loss.

Out of the aforesaid Rs.166.90 crores, the Company has till date provided for amounts aggregating Rs. 111.61 crores (previous year - Rs. 60.88 crores). The balance amounts aggregating Rs. 55.29 crores have been disclosed as Contingent Liability under 'Others'.

Payments made under dispute till date aggregates Rs 111.61 crores (previous year - Rs 111.61 crores) in relation to the above.

b) The Company had received a demand letter dated March 17, 2008 from Wireless Planning Commission division (WPC) of Department of Telecommunications (DoT) for Rs.8.38 crores, 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 WPC various items of differences mentioned in the demand orders, vide letter dated September 24, 2008. Though the Company had received a revised demand of Rs. 111.25 crores from DoT on January 3, 2013, 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 has been following up the matter with WPC and had also filed an execution petition before Hon'ble TDSAT on April 27, 2012. TDSAT has asked the Company to file the application as a miscellaneous petition which was filed and has been admitted. The Company has filed its reply to the revised demand note. The demand is not in line with TDSAT order mentioned above. The WPC has additionally raised in March 2013, demands for the financials years 2009-10, 2010-11 and 2011-12 aggregating Rs. 11.26 crores. The Company has sought details from WPC on the aforesaid demands. The matter came up for hearing on January 13, 2016 and the Hon'ble TDSAT deferred the demand until the disposal of Civil Appeal pending before the Hon'ble Supreme Court for a similar case by another operator.

The Company in March 2014 paid Rs. 15.47 crores computing the liability without penalty and simple interest on the principal amount.

c) The definition of Adjusted Gross Revenue (AGR) does not specifically include capital gain from sale of shares/securities and does not specifically allow exemption for bad debts in computation of License Fees (LF) payable to the Government. The TDSAT had vide its Order 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 had filed an appeal in SC against the aforesaid TDSAT Order.

The Company has considered Rs.154.86 crores, being the LF on profit on sale of investment and bad debts written off during an earlier year, as contingent liability and has also made payment of the same to DoT under protest. However, as a matter of abundant caution, the Company allocated Rs. 154.86 crores of provision for contingencies made in an earlier year towards this contingency.

The SC vide its Order dated October 11, 2011 has set aside the Order passed by TDSAT and has given leave to the licensees to approach TDSAT in case if specific demands have been raised by DoT not in accordance with the License Agreement.

Prior to the aforesaid judgment, the Company had received provisional assessment orders from DoT, against which applications were filed with the TDSAT in line with the aforesaid judgment and further the replies and rejoinders were also filed by DoT and TTML respectively. TDSAT restrained DoT from taking any coercive steps for enforcement of any impugned demands without its permission.

TDSAT commenced final hearing in the matter in May 2014 and pronounced its judgment in April 2015, wherein the impugned demands have been set aside by the Tribunal and it has directed the DoT to rework the license fee payable for the duration which was challenged. DoT has filed an appeal against the TDSAT judgment dated April 23, 2015 in Supreme Court. TTML has filed an appeal against the TDSAT judgment dated April 23, 2015 before the Supreme Court wherein certain line items which have been included as part of AGR by TDSAT are being challenged. The matter had come up for hearing in Hon'ble Supreme Court on February 29, 2016 wherein the Hon'ble Supreme Court has said that DoT could continue to raise the demands as per its understanding, however, the same will not be enforced till its final decision on the matter. The matter will be heard in due course.

d) During the current year, the Company has received show-cause cum demand notice from DoT for the financial year 2006-07, 2007-08, 2008-09 and 2009-10 of Rs 1,681.28 crores (including interest and penalty). The revised demand includes disallowance of PSTN related call charges, additions as per Special audit for the financial year 2006-07, 2007-08 and additions as per C&AG audit report of 2016 for the financial year 2006-07, 2007-08, 2008-09 and 2009-10.

The Company has responded to the DoT that the amount added in Adjusted Gross Revenue as per the revised demand letters are part of appeal filed at Hon'ble Supreme Court against the TDSAT order of April 23, 2015. The matter had come up for hearing in Hon'ble Supreme Court on February 29, 2016 wherein the Hon'ble Supreme Court has said that DoT could continue to raise the demands as per its understanding, however, the same will not be enforced till its final decision. In the interim, the Company has disclosed Rs. 800.47 crores as Contingent liability.

Further, the Company has submitted the documents required by DoT for the deduction of PSTN related call charges, service tax and sales tax and believes that it has the necessary information to substantiate its claims and therefore is confident that these demands would be withdrawn. Accordingly, the amount of Rs. 880.81 crores including interest and penalty is not disclosed as Contingent liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

e) A demand for Rs. 290.17 crores for start up spectrum beyond 2.5MHz, being a one time spectrum charges claimed for the period from January 1, 2013 till the date of expiry of the license, was received from the DoT. The Company has filed a writ petition in the Bombay High Court against the demand and obtained a stay order. The Company has undertaken (written to DoT conveying its intent) to surrender 1.25 MHz of CDMA spectrum after retaining 1.25 MHz of spectrum over and above start up spectrum of 2.5 MHz in Mumbai and to surrender the spectrum beyond 2.5 MHz in Maharashtra. Pursuant thereto, the Company has paid under protest all four installments aggregating Rs. 119.58 crores for spectrum retained and also completed the surrender of spectrum in Mumbai and Maharashtra under protest.

		As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores
ii)	Disputed income tax demands with respect to tax deducted at source and other matters in appeals before relevant authorities	6.68	110.22
iii)	Notices received from Service Tax authorities	284.32	401.46
iv)	Sales Tax	0.18	0.18

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

32 The Department of Telecommunications (DoT) conducted auction for spectrum in March 2015 and the Company had successfully bid for 2 blocks of 1.25 MHz of 800MHz spectrum each in Mumbai and Maharashtra circles for Rs. 3,817.28 crores. The Company effected Rs. 600 crores as of March 31, 2015 and an additional Rs. 354.32 crores on April 7, 2015, as upfront payments. The Company exercised the option to pay the balance under the deferred payment option as per the Notice Inviting Applications. The Company received a Letter of Intent, on May 28, 2015 and subsequently in August 26, 2015, the Company received communication for allotment of spectrum in Maharashtra Service Area and in June 03, 2016 for allotment of Mumbai Service Area. Accordingly, the Company has recorded the principal value of Rs. 1,998.54 crores for Maharashtra Service Area and the principal value of spectrum of Rs. 1,818.74 crores for Mumbai Service Area as Intangible assets under fixed assets. The deferred liability payable to DoT (net of said payments) of Rs. 2,862.96 crores has been recorded under long - term borrowings. Further, the Company has capitalised interest of Rs. 100.60 crores on borrowings from banks for upfront payments and interest of Rs. 280.82 crores on deferred payment liability payable to DoT.

During the current year, due to volatility in the market conditions, the Company has evaluated the recoverable value of the spectrum acquired in March 2015 on the basis of fair value less cost of disposal as per the requirement of Ind AS 36 and recorded an impairment loss of Rs. 905.41 crores and disclosed the same as an exceptional item. The fair value is basis the level 3 hierarchy as per the requirement of Ind AS 113.

33 As per exemptions provided under Ind AS 101, the Company may continue the policy adopted for accounting exchange differences arising from translation of long term monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting. Pursuant to the exemption, the Company has continued to exercise the option of adjustment of foreign exchange gain / loss arising on long term foreign currency borrowings against the carrying value of related property, plant and equipment and intangible assets and has adjusted exchange (gain) / loss aggregating Rs. (52.86) crores and Rs. 130.55 crores for the year ended March 31, 2017 and March 31, 2016 respectively against the carrying value of intangible assets. The balance foreign exchange difference on property, plant and equipment and intangible assets to be amortised, as at March 31, 2017, aggregates Rs. 451.04 crores (as at March 31, 2016 - Rs. 551.49 crores, as at April 01, 2015 - Rs. 415.20 crores).

		April 1, 2016 to March 31, 2017 Rs. in crores	April 1, 2015 to March 31, 2016 Rs. in crores
34	**Payments to auditors (excluding service tax)**		
	i) For audit (including quarterly audits/limited reviews)	**0.82**	0.65
	ii) For taxation matters	**0.19**	0.27
	iii) For other services	**0.30**	0.10
	iv) For reimbursement of expenses	**0.05**	0.02
		1.36	**1.04**

35 Dues to Micro, Small and Medium Enterprises aggregating Rs. 1.74 crores as at March 31, 2017 (Previous year Rs. 1.23 crores). The information in note 19 is given to the extent the same is available with the Company.

	April 1, 2016 to March 31, 2017 Rs. in crores	April 1, 2015 to March 31, 2016 Rs. in crores
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**1.58**	0.82
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**0.16**	0.41
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year	**-**	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi) The amount of further interest	**-**	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		
	1.74	1.23

36 The disclosure as required under Ind AS 1.125 regarding the Employee benefits is as follows:

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2.32 crores for the year ended March 31, 2017 (Rs. 2.39 crores for the year ended March 31, 2016) for Provident Fund contributions, Rs. 0.17 crore for the year ended March 31, 2017 (Rs. 0.19 crore for the year ended March 31, 2016) for Superannuation Fund contributions and Rs. 0.07 crore for the year ended March 31, 2017 (Rs. 0.06 crore for the year ended March 31, 2016) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity (included as part of line item (b) in Note 25 Employee benefits expense)

ii. Long-term compensated absences (included as part of line item (b) in Note 25 Employee benefits expense)

These plan typically expose the group to actuarial risk such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has relatively balanced mix of investments in government securities, and other debt instruments. Further, the overseas plan has a relatively balanced investment in equity securities, debt instruments and real estates. Due to the long term nature of plan liabilities, the board of the overseas Fund considers it appropriate that a reasonable portion of the plan asset should be invested in equity securities and in real estate to leverage the return generated by the Fund.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investment.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Company offers the gratuity under employee benefit schemes to its employees

Rs. in crores

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Components of employer's expense		
Current service cost	**0.74**	1.04
Interest cost	**0.56**	0.71
Expected return on plan assets	**(0.32)**	(0.50)
Total expense recognised in the Statement of Profit and Loss	**0.98**	1.25
Remeasurement on the defined benefit liability - Actuarial losses	**0.40**	0.60
Total expense recognised in other comprehensive income	**0.40**	0.60
Total	**1.38**	1.85

The current service cost, interest cost and expected return on plan assets for the year are included in the 'Employee benefits expenses' line item in the statement of profit and loss. The remeasurement on the defined benefit liability is included in other comprehensive income.

Actual contribution and benefit payments for the year		
Actual benefit payments	**1.09**	3.96
Actual contributions	**1.73**	1.26
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	**7.55**	8.95
Current service cost	**0.74**	1.04
Interest cost	**0.57**	0.71
Actuarial losses	**0.67**	0.81
Benefits paid	**(1.09)**	(3.96)
Present value of DBO at the end of the year	**8.44**	7.55
Change in fair value of assets during the year		
Plan assets at beginning of the year	**4.24**	6.23
Expected return on plan assets	**0.32**	0.50
Actual contributions by the Company	**1.73**	1.26
Actuarial gain	**0.27**	0.21
Benefits paid	**(1.09)**	(3.96)
Plan assets at the end of the year	**5.47**	4.24
Actual return on plan assets	**0.59**	0.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs. in crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 01, 2015
Net asset / (liability) recognised in the Balance Sheet			
Present value of defined benefit obligation	**8.44**	7.55	8.95
Fair value of plan assets	**5.47**	4.24	6.23
Funded status [Surplus / (Deficit)]	**(2.97)**	(3.31)	(2.72)
Net liability recognised in the Balance Sheet	**(2.97)**	(3.31)	(2.72)

Composition of the plan assets is as follows:

Others (LIC managed funds)	**5.47**	4.24	6.23
Actuarial assumptions			
Expected return on plan assets	**6.67%**	7.48%	7.99%
Discount rate	**6.67%**	7.48%	7.99%
Salary escalation	**7.00%**	6.00%	6.50%
Mortality tables	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Estimate of amount of contribution in the immediate next year	**2.44**	2.48	2.85

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments

Rs. in crores

Gratuity	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Present value of DBO	**8.44**	7.55	8.95	8.47	9.92
Fair value of plan assets	**5.47**	4.24	6.23	6.79	7.10
Funded status [Surplus / (Deficit)]	**(2.97)**	(3.31)	(2.72)	(1.68)	(2.83)
Experience (gain) / loss adjustments on plan liabilities	**0.27**	0.18	0.00	(1.08)	0.66
Experience gain / (loss) adjustments on plan assets	**0.27**	0.21	0.10	(0.62)	0.24

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 01, 2015
Actuarial assumptions for long-term compensated absences			
Discount rate	**6.67%**	7.48%	7.99%
Expected return on plan assets	**0.00%**	0.00%	0.00%
Salary escalation	**7.00%**	6.00%	6.50%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Rs. in crores

Particulars	Change in assumptions	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 01, 2015
Projected Benefit Obligation on current assumptions		**8.44**	7.55	8.95
Delta effect of change in Rate of discounting	**+1%**	**(0.22)**	(0.17)	(0.69)
	-1%	**0.24**	0.18	0.80
Delta effect of change in Rate of salary increase	**+1%**	**0.24**	0.18	0.81
	-1%	**(0.23)**	(0.17)	(0.70)
Delta effect of change in Rate of employee turnover	**+1%**	**(0.02)**	0.00	0.08
	-1%	**0.02**	(0.00)	(0.10)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 37
Related party disclosure (in terms of Ind AS - 24)
i) Details of all related parties and their relationships

A Investing Companies
Tata Sons Limited*
Tata Teleservices Limited

B Subsidiaries of Investing Companies
Advinus Therapeutics Limited
e-Nxt Financial Ltd
Ewart Investments Limited
Infiniti Retail Limited
Taj Air Limited
Tata Advanced Systems Limited
Tata AIA Life Insurance Company Limited
Tata AIG General Insurance Company Limited
Tata Asset Management Limited
Tata Autocomp Systems Limited
Tata Business Support Services Limited
Tata Capital Limited
Tata Consultancy Services Limited
Tata Consulting Engineers Limited
Tata Housing Development Company Limited
Tata Industries Limited
Tata International Limited
Tata Investment Corporation Limited
Tata Petrodyne Limited
Tata Realty and Infrastructure Limited
Tata Sky Limited
Tata Trustee Company Limited
TCE Consulting Engineers Limited
Automotive Stampings and Assemblies Limited
C-Edge Technologies Limited
CMC Limited
Drive India Enterprise Solution Limited
Ecofirst Services Limited
Global Information Services Private Limited
Maha Online Limited
Nova Integrated Systems Limited
Tata Capital Financial Services Limited
Tata Capital Forex Limited (formerly TT Holdings & Services Limited)
Tata Capital Housing Finance Limited
Tata Interactive Systems AG
Tata Securities Limited
Tata Unistore Limited (formerly Tata Industrial Services Limited)
TC Travel and Services Limtied
TCS e-Serve International Limited
TRIL Roads Private Limited
MMP Mobi Vallet Payment Systems Limited
Tata Internet Services Limited

C Joint ventures of Investing Companies
Smart Value Homes (New Project) LLP
Tata AutoComp GY Batteries Private Limited
Tata Ficosa Automotive Systems Private Limited (Tata Ficosa Automotive Systems Limited)
Tata Toyo Radiator Limtied
Virgin Mobile India Pvt Limited

D Key Management Personnel
Mr. N.Srinath - Managing Director
Mr. Kishor A. Chaukar, Chairman - Non-Independent, Non-Executive Director
Mr. D. T. Joseph - Independent, Non-Executive Director
Ms. Hiroo Mirchandani - Independent, Non-Executive Director
Mr. Govind Sankaranarayanan - Non-Independent, Non-Executive Director
Prof. Ashok Jhunjhunwala (resigned w.e.f. February 10, 2017) - Independent, Non-Executive Director

* Tata Sons Limited is the holding company as per definition given in section 2(46) of the Companies Act, 2013, but it is not a holding company as per Ind AS 110. However, Tata Sons Limited and Tata Teleservices Limited are considered as entities having significant influence as per definition stated in Ind AS 28.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 37

Related party disclosure (in terms of Ind AS - 24)
ii) Details of transactions with related parties for the year ended March 31, 2017

Rs. in Crores

	Investing companies		Subsidiaries of Investing Companies										
	Tata Sons Limited	Tata Teleservices Limited	Advinus Therapeutics Limited	e-Nxt Financial Limited	Ewart Investments Limited	Infiniti Retail Limited	Taj Air Limited	Tata Advanced Systems Limited	Tata AIA Life Insurance Company Limited	Tata AIG General Insurance Company Limited	Tata Asset Management Limited	Tata Autocomp Systems Limited	Tata Business Support Services Limited
1) Expenses :													
- Salary	-	9.12	-	-	-	-	-	-	-	-	-	-	-
- Customer service and call centre cost	-	1.08	-	0.39	-	-	-	-	-	-	-	-	7.34
- Advertisement and business promotion expenses	-	0.16	-	-	-	-	-	-	-	-	-	-	-
- Network operation cost	0.01	15.67	-	-	-	-	-	-	-	-	-	-	-
- Administrative and other expenses	-	13.05	-	(0.14)	-	-	-	-	0.17	0.94	-	-	(0.01)
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
- Interconnection and other access costs	-	228.25	-	-	-	-	-	-	-	-	-	-	-
- Inter-circle roaming expenses	-	22.47	-	-	-	-	-	-	-	-	-	-	-
2) Income :													
- Rent	-	3.74	-	-	-	-	-	-	-	-	-	-	-
- Rendering telecom services	0.47	24.98	0.03	-	0.00	0.56	0.02	0.00	1.60	2.79	0.35	0.35	4.65
- Interconnect income	-	37.26	-	-	-	-	-	-	-	-	-	-	-
- Sale of traded goods	-	0.43	-	-	-	-	-	-	-	-	-	-	-
- Sale of fixed assets	-	0.49	-	-	-	(0.00)	-	-	-	-	-	-	-
- Inter-circle roaming revenue	-	18.24	-	-	-	-	-	-	-	-	-	-	-
- Other income	-	0.02	-	-	-	-	-	-	-	-	-	-	-
3) Reimbursement of expenses	-	10.17	-	-	-	-	-	-	-	-	-	-	-
4) Purchase of fixed asset	-	7.13	-	-	-	-	-	-	-	-	-	-	-
5) Outstanding as at :													
Sundry debtors	0.05	35.47	0.00	-	-	0.07	0.03	(0.00)	0.82	0.25	0.01	0.08	0.44
Sundry creditors	0.00	31.68	-	0.09	-	(0.01)	-	-	(0.03)	(0.16)	-	0.02	1.16
Security deposits taken	-	1.73	-	-	-	-	-	-	-	-	-	-	-

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm 's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 37

Related party disclosure (in terms of Ind AS - 24)
ii) Details of transactions with related parties for the year ended March 31, 2017

Rs. in Crores

	Subsidiaries of Investing Companies												
	Tata Capital Limited	**Tata Consultancy Services Limited**	**Tata Consulting Engineers Limited**	**Tata Housing Development Company Limited**	**Tata Industries Limited**	**Tata International Limited**	**Tata Investment Corporation Limited**	**Tata Petrodyne Limited**	**Tata Realty and Infrastructure Limited**	**Tata Sky Limited**	**Tata Trustee Company Limited**	**TCE Consulting Engineers Limited**	**Automotive Stampings and Assemblies Limited**
1) Expenses :													
- Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
- Customer service and call centre cost	-	35.03	-	-	-	-	-	-	-	-	-	-	-
- Advertisement and business promotion expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Network operation cost	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
- Administrative and other expenses	-	(3.91)	-	-	-	-	-	-		0.00	-	-	-
- Rent	-	-	0.00	-	-	-	-	-	-	-	-	-	-
- Interconnection and other access costs	-	-	-	-	-	-	-	-	-	0.00	-	-	-
- Inter-circle roaming expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
2) Income :													
- Rent													
- Rendering telecom services	0.71	21.93	0.43	0.14	0.26	0.18	0.03	0.05	0.11	4.58	0.00	-	0.02
- Interconnect income	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sale of traded goods	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
- Inter-circle roaming revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
3) Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
4) Purchase of fixed asset	-	-	-	-	-	-	-	-	-	-	-	-	-
5) Outstanding as at :													
Sundry debtors	0.01	2.60	0.06	0.07	0.03	(0.00)	0.00	0.00	(0.00)	0.57	0.00	-	0.00
Sundry creditors	-	13.20	-	-	-	-	-	-	-	0.01	-	-	-
Security deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm 's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 37

Related party disclosure (in terms of Ind AS - 24)
ii) Details of transactions with related parties for the year ended March 31, 2017

Rs. in Crores

	Subsidiaries of Investing Companies												
	C-Edge Technologies Limited	CMC Limited	Drive India Enterprise Solution Limited	Ecofirst Services Limited	Global Information Services Private Limited	Maha Online Limited	Nova Integrated Systems Limited	Tata Capital Financial Services Limited	Tata Capital Forex Limited (formerly TT Holdings & Services Limited)	Tata Capital Housing Finance Limited	Tata Interactive Systems AG	Tata Securities Limited	Tata Unistore Limited (formerly Tata Industrial Services Limited)
1) Expenses :													
- Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
- Customer service and call centre cost	-	-	(0.09)	-	-	-	-	-	-	-	-	-	-
- Advertisement and business promotion expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Network operation cost	-	-	(0.02)	-	-	-	-	-	-	-	-	-	-
- Administrative and other expenses	-	-	0.09	-	-	-	-	1.02	-	-	-	-	-
- Rent	-	-	1.74	-	-	-	-	-	-	-	-	-	-
- Interconnection and other access costs	-	-	-	-	-	-	-	-	-	-	-	-	-
- Inter-circle roaming expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
2) Income :													
- Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rendering telecom services	0.16	0.21	0.08	0.00	0.06	0.17	0.00	1.97	0.05	0.04	0.21	0.14	0.10
- Interconnect income	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sale of traded goods	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
- Inter-circle roaming revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
3) Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
4) Purchase of fixed asset	-	-	0.15	-	-	-	-	-	-	-	-	-	-
5) Outstanding as at :													
Sundry debtors	0.02	0.03	0.07	0.00	0.01	0.00	(0.00)	0.22	0.01	0.02	0.00	0.04	0.01
Sundry creditors	-	-	1.17	-	-	-	-	-	-	-	-	-	-
Security deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm 's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 37

Related party disclosure (in terms of Ind AS - 24)
ii) Details of transactions with related parties for the year ended March 31, 2017

Rs. in Crores

	Subsidiaries of Investing Companies					Joint ventures of Investing Companies				
	TC Travel and Services Limited	**TCS e-Serve International Limited**	**TRIL Roads Private Limited**	**MMP Mobi Vallet Payment Systems Limited**	**Tata Internet Services Limited**	**Smart Value Homes (New Project) LLP**	**Tata AutoComp GY Batteries Private Limited**	**Tata Ficosa Automotive Systems Private Limited (Tata Ficosa Automotive Systems Limited)**	**Tata Toyo Radiator Limtied**	**Virgin Mobile India Pvt Limited**
1) Expenses :										
- Salary	-	-	-	-	-	-	-	-	-	-
- Customer service and call centre cost	-	-	-	1.54	-	-	-	-	-	-
- Advertisement and business promotion expenses	-	-	-	-	-	-	-	-	-	-
- Network operation cost	-	-	-	-	0.00	-	-	-	0.00	-
- Administrative and other expenses	0.01	-	-	0.04	-	-	-	-	-	-
- Rent	-	-	-	-	1.57	-	-	-	-	-
- Interconnection and other access costs	-	-	-	-	-	-	-	-	-	-
- Inter-circle roaming expenses	-	-	-	-	-	-	-	-	-	-
2) Income :										
- Rent	-	-	-	-	-	-	-	-	-	-
- Rendering telecom services	0.02	0.01	-	0.00	(0.00)	0.04	0.02	0.01	0.08	0.00
- Interconnect income	-	-	-	-	-	-	-	-	-	-
- Sale of traded goods	-	-	-	-	-	-	-	-	-	-
- Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
- Inter-circle roaming revenue	-	-	-	-	-	-	-	-	-	-
- Other income	-	-	-	-	-	-	-	-	-	-
3) Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-
4) Purchase of fixed asset	-	-	-	-	-	-	-	-	-	-
5) Outstanding as at :										
Sundry debtors	0.00	0.00	-	0.00	0.00	0.01	0.01	0.00	0.03	(0.07)
Sundry creditors	0.03	-	-	0.11	0.04	-	-	-	0.01	-
Security deposits taken	-	-	-	-	-	-	-	-	-	-

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm 's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 37

Related party disclosure (in terms of Ind AS - 24)
ii) Details of transactions with related parties for the year ended March 31, 2017

Rs. in Crores

	Key Management Personnel						Total
	Mr. N. Srinath - Managing Director	Mr. Kishor A. Chaukar Chairman- Non-Independent Non-Executive Director	Mr. D. T. Joseph - Independent, Non-Executive Director	Ms. Hiroo Mirchandani Independent, Non-Executive Director	Mr. Govind Sankaranarayanan Non-Independent Non-Executive Director	Prof. Ashok Jhunjhunwala (resigned w.e.f. February 10, 2017) Independent, Non-Executive Director	
1) Expenses :							
- Salary	-	-	-	-	-	-	9.12
- Customer service and call centre cost	-	-	-	-	-	-	45.29
- Advertisement and business promotion expenses	-	-	-	-	-	-	0.16
- Network operation cost	-	-	-	-	-	-	15.66
- Administrative and other expenses	-	-	-	-	-	-	11.26
- Rent	-	-	-	-	-	-	3.31
- Interconnection and other access costs	-	-	-	-	-	-	228.25
- Inter-circle roaming expenses	-	-	-	-	-	-	22.47
2) Income :							
- Rent	-	-	-	-	-	-	3.74
- Rendering telecom services	-	-	-	-	-	-	67.61
- Interconnect income	-	-	-	-	-	-	37.26`
- Sale of traded goods	-	-	-	-	-	-	0.43
- Sale of fixed assets							
- Inter-circle roaming							0.49
revenue	-	-	-	-	-	-	18.24
- Other income	-	-	-	-	-	-	0.02
3) Reimbursement of expenses	-	-	-	-	-	-	10.17
4) Purchase of fixed asset	-	-	-	-	-	-	7.28
5) Outstanding as at :							
Sundry debtors	-	-	-	-	-	-	40.98
Sundry creditors	-	-	-	-	-	-	47.32
Security deposits taken	-	-	-	-	-	-	1.73

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm 's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 37

Related party disclosure (in terms of Ind AS - 24)

ii) Details of transactions with related parties for the year ended March 31, 2016

	Rs. in crores Investing company Tata Teleservices Limited
1) Expenses :	
- Salary	11.42
- Customer service and call centre cost	3.46
- Advertisement and business promotion expenses	2.17
- Network operation cost	19.05
- Administrative and other expenses	10.94
- Interconnection and other access costs	198.68
- Inter-circle roaming expenses	4.73
2) Income :	
- Rent	2.76
- Rendering telecom services	21.66
- Interconnect income	38.14
- Sale of traded goods	0.24
- Sale of fixed assets	
- Inter-circle roaming revenue	6.43
3) Reimbursement of expenses	8.06
4) Purchase of fixed asset	10.99
5) Outstanding as at :	
Sundry debtors	34.22
Sundry creditors	5.62
Security deposits taken	1.73

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 38

Financial Instruments

The significant accounting policies, including the criteria for recoginition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liability and equity instrument are disclosed in note 2.17 to the financial statements.

(i) Financial Assets & Liabilities

Rs. in crores

	Fair value as at			Carrying value as at		
	March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
Financial Assets						
(a) Measured at Fair Value through Profit or Loss (FVTPL)						
Mandatorily measured:						
(i) Investments in mutual funds	**679.62**	592.08	-	**679.62**	592.08	-
(ii) Derivative financial assets not designated in hedge accounting relationship	**-**	4.07	-	**-**	4.07	-
(iii) Derivative financial assets designated in hedge accounting relationship	**1.00**	-	-	**1.00**	-	-
(b) Amortised Cost						
Trade receivables	**231.30**	290.88	280.08	**231.30**	290.88	280.08
Cash and cash equivalents	**37.03**	66.99	49.48	**37.03**	66.99	49.48
Other financial assets	**573.37**	584.29	543.54	**573.37**	584.29	543.54
	1,522.32	**1,538.31**	**873.10**	**1,522.32**	**1,538.31**	**873.10**
Financial Liabilities						
(a) Measured at Fair Value through Profit or Loss (FVTPL)						
Derivative financial liabilities not designated in hedge accounting relationship	**83.07**	89.24	37.41	**83.07**	89.24	37.41
(b) Amortised Cost						
Borrowings	**14,283.26**	10,659.46	6,937.98	**14,283.26**	10,659.46	6,937.98
Trade payables	**584.64**	608.11	647.94	**584.64**	608.11	647.94
Other financial liabilities	**2,108.85**	1,443.92	736.55	**2,108.85**	1,443.92	736.55
(c) Derivative financial liabilities designated in hedge accounting relationship	**9.43**	-	-	**9.43**	-	-
	17,069.25	**12,800.73**	**8,359.88**	**17,069.25**	**12,800.73**	**8,359.88**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The fair value heirarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Fair Value Hierarchy **Rs. in crores**

		March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets				
FVTPL				
(i) Investments in mutual funds	Level 1	**679.62**	592.08	-
(ii) Derivative financial assets not designated in hedge accounting relationship	Level 2	**-**	4.07	-
(iii) Derivative financial assets designated in hedge accounting relationship	Level 2	**1.00**	-	-
		680.62	596.15	-
Financial Liabilities				
(a) Measured at Fair Value through Profit or Loss (FVTPL)				
Derivative financial liabilities not designated in hedge accounting relationship	Level 2	**83.07**	89.24	37.41
(b) Derivative financial liabilities designated in hedge accounting relationship	Level 2	**9.43**	-	-
		92.50	89.24	37.41

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets and financial liabilities designated at FVTPL. The carrying amount reflected above represents the company's maximum exposure to credit risk of such financial assets and liabilites.

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

(ii) Capital management

The Company manages it's capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 15, 18 and 20 offset by cash and bank balances and current investments) and total equity of the Company.

The Company is subject to externally imposed capital requirements for its borrowings which is being montiored on regular intervals.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows;

Rs. in crores

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 01, 2015
Debt *	**15,535.00**	11,653.61	7,576.93
Cash and bank balances (including current investments)	**716.65**	659.07	49.48
Net debt	**14,818.35**	10,994.54	7,527.45
Equity**	**(5,908.84)**	(3,986.19)	(3,627.25)
Net debt to equity ratio	**(2.51)**	(2.76)	(2.08)

* Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts) including current maturities of long term debt.

** Equity includes all capital and reserves of the company.

(iii) Financial risk management objectives

The risk management objective of the Company is to hedge risk of change in the foreign currency exchange rates associated with it's direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

The Company follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered from time to time. The Company is having a defined risk management policy for exposure in foreign currencies. The Company does not enter into a foreign exchange transaction for speculative purposes.

(iv) Market Risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- Forward foreign exchange contracts to hedge the exchange rate risk arising on the buyer's credit and external commercial borrowings and interest thereon
- Cross currency interest rate swap
- Interest rate swaps to mitigate risk of rising interest rate

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

Market risk exposures are measured using sensitivity analysis.

(iv) (a) Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

arise. Exchange rate exposures are managed within approved policy parameters using forward foreign exchange contracts and cross currency interest rate swap contracts.

The Company is having risk management policy which provides the guidelines for managing the currency risk exposure. Accordingly, the Company has obtained forward contracts to cover upto 100% of its underlying liabilities due within next one year. For balance underlying liabilities the Company has obtained forward contracts to cover from 0-50%.

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting period.

Currency (in Mns)	Liabilities as at		
	March 31, 2017	March 31, 2016	April 01, 2015
USD	**400.26**	415.44	450.13
EURO	**0.05**	0.04	0.03

The outstanding derivative contracts of the Company in foreign currency at the end of the reporting period.

Currency (USD in Mns)	Liabilities as at		
	March 31, 2017	March 31, 2016	April 01, 2015
Forward contracts	**186.09**	145.04	143.77
Interest rate swaps	**350.00**	350.00	350.00
Cross currency interest rate swap	**31.44**	31.44	31.44

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

Currency (USD in Mns)	Liabilities as at		
	March 31, 2017	March 31, 2016	April 01, 2015
Vendor payables	**1.17**	1.10	1.22
Buyer’s Credit	**0.45**	-	-
External commercial borrowings	**231.74**	295.00	315.00

Currency (EURO in Mns)	Liabilities as at		
	March 31, 2017	March 31, 2016	April 01, 2015
Vendor payables	**0.05**	0.04	0.03

(iv) (a) (i) Foreign Currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans and vendors. A positive number below indicates increase in profit or equity where the INR strengthens by 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity.

Particulars	Currency USD impact (Rs. in crores)		
	March 31, 2017	March 31, 2016	April 01, 2015
(Profit) / loss	**16.29**	21.71	31.35
Equity	**-**	-	-
Capitalisation in Property, plant and equipment and Intangible assets	**113.45**	116.10	109.57

Particulars	Currency EUR impact (Rs. in crores)		
	March 31, 2017	March 31, 2016	April 01, 2015
(Profit) / loss	**0.02**	0.02	0.01
Equity	**-**	-	-

(iv) (a) (ii) Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The floating rate risk is managed by the Company by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with the interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Company's exposures to interest rate on financial asset and financial liabilities are detailed in the liquidity risk management section of this note.

The sensitivity analysis below have been determined based on floating rate rupee borrowings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Company's profit/other comprehensive income for the year ended March 31, 2017 would decrease / increase by Rs. 25.78 crores (Rs. 26.12 crores as at March 31, 2016).

(iv) (a) (iii) Interest rate swap contract

Using interest rate swap, the Company agrees to exchange floating interest rate in USD to fixed interest rate in USD on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk on foreign currency borrowings. Such contracts are settled on a semi-annual basis. Details of the swap are listed below;

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	Average contracted fixed interest rate			Notional principal amount (USD in Mns)			Fair value assets (liabilities) (Rs. in crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
External commercial borrowings	**1.67%**	1.67%	1.67%	**350.00**	350.00	350.00	**(12.56)**	(83.59)	(17.81)

The net change in value of the hedged items used as the basis for recognizing hedge ineffectiveness for the period is Rs. 4.13 crores (for the year ended March 31, 2016: Rs. Nil). The balance in the cash flow hedge reserve for continuing hedges is Rs. 66.90 crores (as at March 31, 2016: Rs. Nil, as at April 1, 2015: Rs. Nil).The net hedging gain recognized for the period in other comprehensive income in respect of cash flow hedges is Rs. 66.90 crores (for the year ended March 31,2016: Rs. Nil).

(v) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Trade Receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not hold any collateral or other credit enhancement to cover its credit risk associated with its financial assets. On account of adoption of Ind AS 109, the Company uses provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors. The credit risk on liquid funds and derivative financial instrument is limited because the counter parties are Asset Management Companies (AMCs) banks with high credit-ratings assigned by ratings agencies.

(vi) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017;

Rs. in crores

Particulars	Carrying amount	Upto 1 year	1-3 year	3-5 year	5+ year	Total contracted cash flows
Financial Liabilities						
Non current financial liabilities						
Borrowings (including interest accrued but not due)	10,662.42	-	4,438.16	2,682.62	3,573.49	10,694.27
Current financial liabilities						
Borrowings	4,305.36	4,305.36	-	-	-	4,305.36
Trade payables	584.64	584.64	-	-	-	584.64
Other financial liabilities	1,424.33	1,424.33	-	-	-	1,424.33

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2016;

Rs. in crores

Particulars	Carrying amount	Upto 1 year	1-3 year	3-5 year	5+ year	Total contracted cash flows
Financial Liabilities						
Non current financial liabilities						
Borrowings (including interest accrued but not due)	7,526.17	-	2,298.70	2,657.64	2,580.87	7,537.21
Current financial liabilities						
Borrowings	3,414.11	3,414.11	-	-	-	3,414.11
Trade payables	608.11	608.11	-	-	-	608.11
Other financial liabilities	1,163.10	1,163.10	-	-	-	1,163.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2015;

Rs. in crores

Particulars	Carrying amount	Upto 1 year	1-3 year	3-5 year	5+ year	Total contracted cash flows
Financial Liabilities						
Non current financial liabilities						
Borrowings (including interest accrued but not due)	5,020.54	-	1,825.72	1,166.97	2,028.95	5,021.64
Current financial liabilities						
Borrowings	1,917.44	1,917.44	-	-	-	1,917.44
Trade payables	647.94	647.94	-	-	-	647.94
Other financial liabilities	736.55	736.55	-	-	-	736.55

The tables above do not include the maturity profile of finance set up cost on account of accounting based on effective interest rate.

The Company has access to financing facilities, of which Rs. 1,733.08 crores were unused at the end of the reporting period (as at March 31, 2016: Rs. 513.70 crores: as at April 1, 2015: Rs. 110.87 crores). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

39 First time adoption of Ind AS

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

Exemptions applied

"Ind AS 101" on First Time Adoption of Ind AS allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

i. Capitalisation of exchange differences on translation of long-term foreign currency monetary items: Under Indian GAAP, the Company had an accounting policy choice whereby the exchange difference arising on translation of long-term foreign currency moneraty items were allowed to be capitalized as part of fixed assets. "Ind AS 101" provides an exemption whereby the Company can continue with this accounting policy for the monetary items which are outstanding as at March 31, 2016. The Company has decided to avail this exemption and accordingly it is continuing with its policy of capitalising exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements.

ii. Impairment of financial assets: The Company has applied the impairment requirements of "Ind AS 109" retrospectively; however, as permitted by "Ind AS 101", it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increase in credit risk since intial recognition, as permitted by "Ind AS 101".

iii. Assessment of embedded derivatives: The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

iv. Deemed cost for property, plant and equipment, investment property, and intangible assets: The Company has elected to fair value some of its plant and equipment, recognized as of April 01, 2015 (transition date) and all other assets are carried as per Ind AS cost.

v. Determining whether an arrangement contains a lease: The Company has applied Appendix C of "Ind AS 17" Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Other Notes

i. Under Ind AS the actuarial gains and losses on post retirement defined employee benefits are recognised in other comprehensive income, under previous GAAP such actuarial gains and losses were recognised in profit and loss account.

ii. Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind-AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in profit or loss.

iii. Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

income, expense, gains, or losses are required to be presented in other comprehensive income.

Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from the previous Indian GAAP (""I GAAP"") to Ind AS in accordance with Ind AS 101 and the notes explaining the significant differences there to:

(a) Equity Reconciliation as at
    (i) April 01, 2015 (ii) March 31, 2016
(b) Total Comprehensive Income Reconciliation for the year ended March 31, 2016
(c) Balance sheet reconciliation as at
    (i) April 01, 2015 (ii) March 31, 2016
(d) Reconciliation of statement of profit and loss for the year ended March 31, 2016
(e) Explanatory notes to the balance sheet and statement of profit and loss reconciliation
(f) Explanation of material adjustment to statement of cash flows

(a) Equity Reconciliation

Rs. in crores

Particulars	As at March 31, 2016	As at April 01, 2015
Retained Earnings as per Indian GAAP	(5,420.97)	(4,923.01)
Adjustments under Ind AS		
Measurement of financial assets at amortized cost	(2.61)	(2.53)
Measurement of financial liabilities at amortized cost and impact of related derivative contracts	11.53	0.50
Measurement of Property, plant & equipment and intangible assets at fair value	(530.54)	(657.14)
Fair value of Investments	1.47	-
Other Equity as per Ind AS	(5,941.12)	(5,582.18)

(b) Total Comprehensive Income Reconciliation

Rs. in crores

Particulars	For the year ended March 31,2016
Net Loss under Previous GAAP	(497.96)
Actuarial loss on employee benefit funds recognised in Other Comprehensive Income	0.60
Measurement of Property, plant & equipment and intangible assets at fair value	126.60
Fair value of Investments	1.47
Measurement of financial liabilities at amortized cost and impact of related derivative contracts	11.03
Others	(0.08)
Ind AS Adjustments	
Other Comprehensive Income/(loss)	(0.60)
Total Comprehensive Income under Ind AS	(358.94)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c) Balance sheet reconciliation

Rs. in crores

	Note No.	As at March 31, 2016 Previous GAAP	Adjustments	Ind AS	As at April 01, 2015 Previous GAAP	Adjustments	Ind AS
Assets							
Non-current assets							
(a) Property, plant and equipment	3	2,214.40	(272.57)	1,941.83	2,947.05	(380.97)	2,566.08
(b) Capital work-in-progress	3	47.59	-	47.59	46.40	-	46.40
(c) Intangible assets	3	1,687.97	(266.65)	1,421.32	1,241.08	(281.52)	959.56
(d) Intangible assets under development		2,198.23	-	2,198.23	-	-	-
(e) Right to spectrum, earmarked pending allotment	3	2,000.47	-	2,000.47	-	-	-
(f) Other financial assets	4	591.12	(13.56)	577.56	552.97	(15.92)	537.05
(g) Income tax assets	5	113.81		113.81	157.52	-	157.52
(h) Other non-current assets	6	183.77	(70.03)	113.74	612.06	18.75	630.81
Total non-current assets		**9,037.36**	**(622.81)**	**8,414.55**	5,557.08	(659.66)	4,897.42
Current assets							
(a) Inventories	7	4.68	-	4.68	12.42	-	12.42
(b) Financial assets							
(I) Investments	8	590.61	1.47	592.08	-	-	-
(ii) Trade receivables	9	290.88	-	290.88	280.08	-	280.08
(iii) Cash and cash equivalents	10	66.99	-	66.99	49.48	-	49.48
(iv) Other financial assets	11	6.44	4.36	10.80	6.68	(0.20)	6.48
(c) Other current assets	13	126.88	(44.98)	81.90	136.06	(39.85)	96.21
Total current assets		**1,086.48**	**(39.15)**	**1,047.33**	484.72	(40.05)	444.67
Total Assets		**10,123.84**	**(661.96)**	**9,461.88**	6,041.80	(699.71)	5,342.09
Equity and liabilities							
Equity							
(a) Share capital	14	1,954.93	-	1,954.93	1,954.93	-	1,954.93
(b) Other equity		(5,420.97)	(520.15)	(5,941.12)	(4,923.01)	(659.17)	(5,582.18)
Total Equity		**(3,466.04)**	**(520.15)**	**(3,986.19)**	(2,968.08)	(659.17)	(3,627.25)
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	15	7,256.41	(11.06)	7,245.35	5,020.54	-	5,020.54
(ii) Other financial liabilities	16	280.82	-	280.82	-	-	-
(b) Long Term Provisions	17	3.26	-	3.26	4.33	-	4.33
Total non-current liabilities		**7,540.49**	**(11.06)**	**7,529.43**	5,024.87	-	5,024.87
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	18	3,415.64	(1.53)	3,414.11	1,917.44	-	1,917.44
(ii) Trade payables	19	742.96	(134.85)	608.11	697.91	(49.97)	647.94
(iii) Other financial liabilities	20	1,246.71	5.63	1,252.34	764.53	9.43	773.96
(b) Other current liabilities	21	97.71	-	97.71	97.89	-	97.89
(c) Short Term Provisions	22	546.37		546.37	507.24	-	507.24
Total current liabilities		**6,049.39**	**(130.75)**	**5,918.64**	3,985.01	(40.54)	3,944.47
Total equity and liabilities		**10,123.84**	**(661.96)**	**9,461.88**	6,041.80	(699.71)	5,342.09

As the presentation requirements under Indian GAAP differ from Ind AS, the Indian GAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(d) Profit and Loss account reconciliation

Rs. in crores

		April 1, 2015 to March 31, 2016		
	Note No.	Previous GAAP	Ind AS Adjustment	Ind AS
I Income				
(a) Revenue from operations	23	2,972.09	-	2,972.09
(b) Other income	24	26.99	-	26.99
Total Income		**2,999.08**	**-**	**2,999.08**
II Expenses				
(a) Employee benefits expenses	25	120.50	(0.60)	119.90
(b) Operating and other expenses	26	2,004.38	3.05	2,007.43
(c) Cost of goods sold	27	17.67	-	17.67
(d) Provision for contingencies	45	38.30	-	38.30
		2,180.85	**2.45**	**2,183.30**
III Earning before Interest, Depreciation & Amortization and tax (I - II)		**818.23**	**(2.45)**	**815.78**
(e) Depreciation and amortisation expenses	3	556.70	(97.04)	459.66
(f) Finance cost	28	699.41	(15.78)	683.63
(g) Finance income	29	(10.86)	(2.85)	(13.71)
(h) Other (gains) / losses	30	41.49	3.05	44.54
IV Total expenses		**3,467.59**	**(110.17)**	**3,357.42**
V Loss before exceptional items and tax		**(468.51)**	**110.17**	**(358.34)**
Exceptional items		29.45	(29.45)	-
VI Loss before tax		**(497.96)**	**139.62**	**(358.34)**
VII Tax expense		**-**	**-**	**-**
VIII Loss after tax		**(497.96)**	**139.62**	**(358.34)**
Other Comprehensive Income				
Items that may be reclassified to profit and loss				
Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge		-		-
Items that will not be reclassified to profit and loss				
Remeasurements of defined benefit plans		-	(0.60)	(0.60)
IX Total other comprehensive income		**-**	**(0.60)**	**(0.60)**
X Total comprehensive income / (loss) for the period (VIII + IX)		**(497.96)**	**139.02**	**(358.94)**

As the presentation requirements under Indian GAAP differ from Ind AS, the Indian GAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

(e) Notes to the balance sheet reconciliation and statement of profit and loss reconciliation

As the presentation requirements under Indian GAAP differ from Ind AS, the Indian GAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

a) Financial assets – deposits

Under Indian GAAP, the Company accounted for lease and other deposits at transaction value. Under Ind AS, such deposits are initially recorded at fair value with the difference between transaction value and fair value being treated as prepaid expenses. The deposits are subsequently measured at amortised cost and deferred rent is amortised over lease/ contract period on a straight line basis. Accordingly, the Company has recognised the adjustment to the respective carrying amount and the consequent impact on finance income due to the unwinding of the discounting impact. The corresponding impact on the date of transition has been recognised in the retained earnings.

b) Derivative instruments

Derivative financial instruments are recognised at fair value under Ind AS and revaluations of forward contracts and unamortised forward premium recognised under Indian GAAP have been reversed. The corresponding impact on the date of transition has been recognised in the retained earnings.

c) Investments in Mutual Funds

Under Indian GAAP, the Company accounted for investments in mutual funds as current investments measured at lower of cost or fair value. Under Ind AS, the Company has designated such investments at fair value through profit and loss which are to be measured at fair value at each reporting date. The difference between the fair value of these instruments and Indian GAAP carrying amount has been adjusted in the retained earnings and the impact of subsequent measurement is recognised as finance income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

d) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were disclosed as prepaid expenses and charged to profit and loss over the tenure of the loan or 5 years, whichever was lower. Under Ind AS, borrowings are recorded initially at fair value less transaction costs and are subsequently measured at amortised cost as per the Effective Interest Rate (EIR) method. The corresponding impact on the date of transition has been recognised in the retained earnings.

e) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to equity through Other Comprehensive Income ('OCI').

f) Property, plant and equipment and intangible assets

The Company has elected to measure certain items of property, plant and equipment and intangible assets at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, the difference between the Indian GAAP carrying value and the fair value was recognised in property, plant and equipment and the corresponding impact has been recognised in the retained earnings.

g) Deferred Tax

The above Ind AS adjustments do not include any deferred tax impact on account of reasons explained in note 44.

(f) Explanation of material adjustments to Cash Flow Statement

There were no material differences between the cash flow statement presented under Ind AS and the Indian GAAP except due to various reclassification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

40 Disclosure on Specified Bank Notes

The Central Government vide its notification no S.O. 3407(E) dated November 8, 2016, declared that Specified Bank Notes (SBN) shall cease to be legal tender with effect from November 9, 2016. However, subsequently, the Central Government vide its notification no S.O. 3544(E) dated November 24, 2016, allowed telecom companies to accept Specified Bank Notes towards prepaid mobile top-up to a limit of Rs 500 per top-up from November 25, 2016 to December 15, 2016. Further, on March 30, 2017, the Ministry of Corporate Affairs has issued notification no G.S.R 308(E) dated March 30, 2017 amending the provisions of the Companies Act, 2013 and mandating every company to provide details of Specified Bank Notes held / transacted during the period of November 8, 2016 to December 30, 2016. This section makes disclosures pursuant to such requirement.

Rs. in crores

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016 *	0.43	0.03	0.46
(+) Permitted receipts **	0.26	10.20	10.46
(+) Non permitted receipts	1.12	-	1.12
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks ***	1.81	9.99	11.80
Closing cash in hand as on December 30, 2016	-	0.24	0.24

*This amount reflects the sum of all "cash in hand" as recorded in the books of the Company based on the information received from Company owned and Franchisee stores. The Company had, as a measure of good governance practice and to ensure due diligence, as a one-time measure, mandated its employees to record and report the cash denomination for the closing balance on November 8, 2016. The Company is in the process of reconciling the data so collected with bank records for the same period. The Company had also issued strict instructions to employees to not accept any Specified Bank Notes with immediate effect.

** This amount reflects the sum of all cash received by the Company in the Specified Bank Notes of Rs. 500 between the period of November 25, 2016 and December 15, 2016. The Central Government had, vide its Notification dated November 24, 2016, allowed use of currency notes of denomination of Rs. 500 towards payment for prepaid mobile top-up, up to a limit of Rs. 500 per top-up for the period between midnight of November 24, 2016 and up to and including December 15, 2016. Accordingly, the permitted receipts of the Specified Bank Notes represent the amounts received pursuant to such permitted transactions. This amount is as per information provided to the Company by the banks. The Company had issued specific instructions for maintaining a record of, and tracking the collection of such Specified Bank Notes. The Company is in the process of verifying and reconciling to the extent possible this information.

*** This reflects the information received from the banks of the Company, based on the request made by the Company for the purposes of complying with the provisions of the Companies Act, 2013. The figures set out herein reflect the Specified Bank Notes and other notes of other denominations as received by the specified banks at the branch from the cash management agencies contracted by the banks for collecting the cash from the Company's stores on behalf of the banks. As a matter of company-wide business practice, the cash management agencies appointed by banks, collect, on a daily basis, the cash from the stores of the Company on behalf of the banks. The cash management agencies provide a manually generated receipt to the stores of the cash and the denomination collected by them from the stores. The amounts reflected herein may not reflect the amounts stated in such receipts issued by the cash management agencies to the Company's representatives at the stores. The Company is in the process of reconciling this information against such manually generated receipts.

We have identified discrepancies in the cash denominations in (a) the closing balance maintained by the Company on November 8, 2016, as well as the cash received and generated by the Company

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

between November 8, 2016 to December 30, 2016 and (b) the amounts shown as received by the banks at their branches as reflected in above table. While the total amount of cash has been reconciled, the discrepancies remain in the denominations of such bank notes. Accordingly, we have initiated an exercise, and an external agency is being appointed, to investigate the matter, identify the discrepancies, and validate and reconcile the differences. Given that the Company has over 193 stores across Mumbai and Maharashtra circles and the records are maintained physically, the Company had no pre-existing systems to track these, the reconciliation exercise has not been fully completed and is expected to be completed by the end of the next quarter.

41 The Company is engaged in providing telecommunication services under Unified License. These, in the context of Ind AS 108 on "Segment reporting", are considered to constitute a single reportable segment. Further, the Company provide telecommunication services only in the Indian domestic market and accordingly secondary segment reporting disclosure are not required.

42 **(a) Operating lease payments recognised in the Statement of Profit and Loss :**

	April 1, 2016 to March 31, 2017 Rs. in crores	April 1, 2015 to March 31, 2016 Rs. in crores
Cell sites and others	**395.01**	407.71

(b) Future Minimum Lease payments under Non-cancellable operating lease :

	As at March 31, 2017 Rs. in crores	As at March 31, 2016 Rs. in crores
Due not later than one year	**203.34**	189.71
Due later than one year and not later than five years	**593.29**	601.81
Due later than five years	**341.50**	502.15

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.

43 **Earnings per share data**

	April 1, 2016 to March 31, 2017 Rs. in crores	April 1, 2015 to March 31, 2016 Rs. in crores
i) Loss after tax (Rs. in crores)	**(2,356.47)**	(358.34)
ii) Weighted average number of shares outstanding	**1,954,927,727**	1,954,927,727
iii) Nominal value of equity shares (Rs.)	**10.00**	10.00
iv) Basic and Diluted Earnings per Share (Rs.)	**(12.05)**	(1.83)

44 No provision for current income tax is required to be made as, on the basis of the Company's computations, there is no taxable income. The Company also carries forward accumulated losses resulting into tax loss carry forward situation. The Company launched its unified access services only during year ended March 31, 2004 and is eligible for a tax holiday under section 80IA of the Indian Income-tax Act, 1961, beginning with the financial year in which the telecommunication services were commenced.

Though the Company is confident of generating profits in the future, the accounting standard requires certainty to reverse the tax loss carry forwards beyond the tax holiday period for recognition of asset. Accordingly, deferred tax assets have not been considered for accounting on carry forward losses. Further, no deferred tax liabilities or assets on account of temporary timing differences have been recognised since they will reverse in the tax holiday period.

Further, the Company is having temporary differences for unabsorbed depreciation for which no deferred tax has been recognized. The deferred tax on such temporary difference is Rs. 1,500.98 crores as at March 31, 2017 (Rs. 1,260.79 crores as at March 31, 2016, Rs 1,113.73 crores as at April 1, 2015).

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

Rs. in crores

Description	**As at April1, 2016**	**Additions during the year**	**Amounts utilised / reversed**	**As at March 31, 2017**
Provision for Contingencies	542.08 (503.78)	86.22 (38.30)	- -	**628.30** **(542.08)**

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.

46 The Company has issued Non Convertible Debentures (""NCD"") aggregating to Rs. 750 crores (March 31, 2016 – Rs. 750 crores) repayable over the specified period. As per section 71(4) of the Companies Act 2013, a debenture redemption reserve ('DRR') is to be created out of the profits of each year until such debentures are redeemed. During the year ended March 31, 2017, the Company has incurred losses of Rs. 2,356.47 crores, hence the Company has not created debenture redemption reserve.

Further, as per Companies (Share Capital and Debentures) Rules 2014, wherein in terms of Clause 18(7)© of the rules, it will be necessary for the Company to create a fund before 30th April of each financial year, which shall not be less than 15% of the debentures maturing during the respective financial year ending on 31st March, by way of one or more methods i.e. through deposits with scheduled banks /investments in specified securities or bonds as indicated in the Clause 18(7)(c). Since, no debenture is due for redemption during financial year 2017-18, hence the same is not applicable.

47 The accumulated losses of the Company as of March 31, 2017, have exceeded its paid-up capital and reserves. The Company has

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

incurred a net loss during the current year and the Company's current liabilities exceeded its current assets as at the balance sheet date. The Company has not been able to satisfy the financial covenants stated in agreements with lenders of long term borrowings and lenders of External Commercial Borrowings (ECB) which may result in loans aggregating Rs. 2,099.99 crores being recalled by the lenders.

The Company has received a support letter from Tata Sons Limited and Tata Teleservices Limited indicating fund infusion, directly or indirectly, for the purpose of repayment of such loans.

Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

48 The figures of the previous year have been regrouped / reclassified wherever necessary to correspond with those of the current year's classification / disclosure.

Signatures to Notes '1' to '48'

For and on behalf of the Board of Directors

Kishor A. Chaukar (Chairman) (DIN No. 00033830)	**N. Srinath** (Managing Director) (DIN No. 00058133)
Kush S. Bhatnagar (Chief Financial Officer)	**Kiran Thacker** (Company Secretary)

Place: Mumbai
Date : May 12, 2017

TATA TELESERVICES (MAHARASHTRA) LIMITED

Corporate Identification Number: L64200MH1995PLC086354

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

Tel: 91 22 6667 1414 **Fax:** 91 22 6660 5335 **Email:** investor.relations@tatatel.co.in

Website: www.tatateleservices.com

PROXY FORM

MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :
Registered address :
E-mail ID :
Folio No./Client ID :
DP ID :

I/We, being the Member(s) of _____________ shares of the above named company, hereby appoint

1. Name :
   Address :
   Email-ID :
   Signature :
   or failing him/her
2. Name :
   Address :
   Email-ID :
   Signature :
   or failing him/her
3. Name :
   Address :
   Email-ID :
   Signature :

as my/our proxy to attend and vote for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held on Monday, July 31, 2017 at 1100 Hours, at “Rangaswar”, 4th Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannathrao Bhosale Marg, Nariman Point, Mumbai – 400 021 and at any adjournment thereof in respect of the Resolutions as are indicated below:

Ordinary Business	
1	Adoption of Audited Financial Statements of the Company for the financial year ended on March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon
2	Appointment of Director in place of Mr. Govind Sankaranarayanan (DIN:01951880), who retires by rotation and being eligible, offers himself for re-appointment.
3	Appointment of Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), as Statutory Auditors of the Company and fixing their remuneration.
Special Business	
4	Approval and Ratification of payment of remuneration to M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) for the financial year ending on March 31, 2018.
5	Re-appointment of Mr. N. Srinath (DIN:00058133) as the Managing Director of the Company for a period of 3 years with effect from February 1, 2017.
6	Related Party Transactions between Tata Teleservices (Maharashtra) Limited (“TTML”) and Tata Teleservices Limited (“TTSL”)

Signed this __________ day of __________ 2017

Signature of Shareholder ____________________

Signature of Proxy holder (s) __________________

Affix Revenue Stamp

Notes:

(i) The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
(ii) The Proxy Form shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
(iii) The Proxy Form is valid only if it is properly stamped and such stamp is cancelled.
(iv) Blank, incomplete or undated Proxy Form shall not be considered valid.
(v) The proxy-holder shall prove his/her identity at the time of attending the Meeting.

Tata Teleservices (Maharashtra) Ltd., **Registered Office** :- Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai – 400 033, Tel # +91-22-6667 1414,
Fax No. +91-22-66605335, Website: www.tatateleservices.com & www.tatadocomo.com, Email : listen@tatadocomo.com, CIN: L64200MH1995PLC086354.