

**TATA TELESERVICES (MAHARASHTRA) LIMITED**

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

Rs. in Lacs

**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2009**

Sr. No.	Particulars	Quarter ended September 30,		Half Year ended September 30,		Year Ended March 31,
		2009	2008	2009	2008	2009
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	a. Net Sales/Income from Telecommunication services (See note 2)	49832	48714	96652	96510	194168
	b. Other Operating Income (See note 3)	3994	2630	8112	5008	10020
	<b>c. Total (a+b)</b>	<b>53826</b>	<b>51344</b>	<b>104764</b>	<b>101518</b>	<b>204188</b>
2	Expenditure					
	a. Network operations costs	12644	8577	23677	16803	36394
	b. Interconnect and other access costs (See note 2)	10352	11902	19457	23906	47464
	c. Employees cost	3664	2781	7122	5506	11290
	d. Administration and other expenses	6789	5092	12591	10040	21143
	e. Marketing and business promotion expenses (Net)	9943	7342	16389	14430	29787
	f. Depreciation / Amortisation (Net)	12382	11532	23365	22941	44679
	<b>g.Total (a+b+c+d+e+f)</b>	<b>55774</b>	<b>47225</b>	<b>102601</b>	<b>93626</b>	<b>190757</b>
3	<b>Profit / (Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)</b>	<b>(1948)</b>	<b>4119</b>	<b>2163</b>	<b>7892</b>	<b>13431</b>
4	Other Income	682	480	819	787	1208
5	<b>Profit / (Loss) before Interest and Exceptional Items (3+4)</b>	<b>(1266)</b>	<b>4599</b>	<b>2982</b>	<b>8679</b>	<b>14639</b>
6	Interest (See notes 4 and 5)	9567	9304	16086	16836	30478
7	<b>Loss after Interest but before Exceptional Items (5-6)</b>	<b>(10833)</b>	<b>(4705)</b>	<b>(13104)</b>	<b>(8157)</b>	<b>(15839)</b>
8	Exceptional Items	-	-	-	-	-
9	<b>Loss from Ordinary Activities before tax (7-8)</b>	<b>(10833)</b>	<b>(4705)</b>	<b>(13104)</b>	<b>(8157)</b>	<b>(15839)</b>
10	Tax expense					
	- For income tax (See note 6)	-	-	-	-	-
	- For fringe benefits tax	(35)	30	-	50	121
11	<b>Net Loss from Ordinary Activities after tax (9-10)</b>	<b>(10798)</b>	<b>(4735)</b>	<b>(13104)</b>	<b>(8207)</b>	<b>(15960)</b>
12	Extraordinary items.	-	-	-	-	-
13	<b>Net Loss for the period (11-12)</b>	<b>(10798)</b>	<b>(4735)</b>	<b>(13104)</b>	<b>(8207)</b>	<b>(15960)</b>
14	Paid up equity share capital (Face value Rs. 10/- per share)	189720	189719	189720	189719	189719
15	Reserves excluding revaluation reserves					(226,552)
16	Earnings Per Share (EPS) (In Rupees)					
	a) Basic and diluted EPS before Extraordinary items					
	- Basic	(0.57)	(0.25)	(0.69)	(0.43)	(0.84)
	- Diluted	(0.57)	(0.25)	(0.69)	(0.43)	(0.84)
	b) Basic and diluted EPS after Extraordinary items					
	- Basic	(0.57)	(0.25)	(0.69)	(0.43)	(0.84)
	- Diluted	(0.57)	(0.25)	(0.69)	(0.43)	(0.84)
17	Public Shareholdings					
	- Number of shares	422675535	651851111	422675535	651851111	422074185
	- Percentage of shareholdings	22.28%	34.36%	22.28%	34.36%	22.25%
18	<b>Promoters and promoter group Shareholding</b>					
	<b>a) Pledged / Encumbered</b>					
	Number of shares	942831680		942831680		942831680
	Percentage of Shares (as a % of total shareholding of promoter and promoter group)	63.94%		63.94%		63.92%
	Percentage of Shares (as a % of total share capital of the Company)	49.70%		49.70%		49.70%
	<b>b) Non-encumbered</b>					
	Number of shares	531689639		531689639		532284639
	Percentage of Shares (as a % of total shareholding of promoter and promoter group)	36.06%		36.06%		36.08%
	Percentage of Shares (as a % of total share capital of the Company)	28.02%		28.02%		28.06%
<b>Subscribers information as on</b>		<b>Sep 30, 2009</b>	<b>Sept 30, 2008</b>	<b>Sep 30, 2009</b>	<b>Sept 30, 2008</b>	<b>March 31, 2009</b>
(Nos. in thousands - unaudited)		9,636	6,154	9,636	6,154	7,495
<b>Earning Before Interest, Depreciation, Extraordinary item and Tax (EBITDA)</b>		<b>11,116</b>	<b>16,131</b>	<b>26,347</b>	<b>31,620</b>	<b>59,318</b>

**Notes:**

- The Company has commenced operations using GSM technology during the current quarter and the consequent impact of the launch is accordingly considered in the results.
- The Telecom Regulatory Authority of India (TRAI) amended Interconnection Usage Charges Regulations, effective April 1, 2009, reducing termination charge for incoming domestic calls to 20 paise per minute from 30 paise per minute and increased termination charge for incoming international calls to 40 paise per minute from 30 paise per minute. The interconnect income accounted in 1.a and interconnect cost accounted in 2.b therefore are not strictly comparable with previous periods.
- Other operating Income for the quarter / half year ended September 30, 2009 includes subsidies from Department of Telecommunications for Universal Service Obligation of Rs. 3481 lacs / Rs. 5868 lacs as compared to Rs. 2377 lacs / Rs. 4617 lacs for the corresponding quarter / half year ended September 30, 2008 and also includes Rs. 419 lacs / Rs. 2085 lacs as compared to Nil for the corresponding quarter / half year ended September 30, 2008 relating to profit on sale of dark fibre and bandwidth capacities.
- Interest charges are disclosed on net basis. Interest and other income earned from treasury operations are reduced from the costs of treasury operations. Interest charges also include amounts aggregating Rs. 528 lacs (loss) / Rs.828 lacs (loss) for the quarter / half year ended September 30, 2009 as compared to Rs.3351 lacs (loss) / Rs.5420 lacs (loss) for the corresponding quarter / half year ended September 30, 2008 on account of foreign exchange fluctuations. (Also refer Note 5 below)
- The Government vide notification dated March 31, 2009, amending Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates', has given the option for adjustment of foreign exchange gain / loss arising on long term foreign currency borrowings against the carrying value of related fixed assets. The Company had accordingly, exercised this option in the last quarter of the previous year and has, accordingly, adjusted the foreign exchange losses/(gains) of Rs. 22 lacs/ (Rs. 887 lacs) for the quarter/half year ended September 30, 2009 against the carrying value of fixed assets. Due to the adoption of the aforesaid option, the depreciation is higher by Rs. 85 lacs/ Rs. 170 lacs for the quarter/half year ended September 30, 2009 and the loss is higher by Rs. 63 lacs/ Rs. 1057 lacs for the quarter/half year ended September 30, 2009.
- No provision for current income-tax has been made in the accounts, since the Company estimates that there will be no taxable profits for the year. Deferred Tax charges / credits have not been recognized in view of the tax holiday enjoyed by the Company and on considerations of prudence as set out in Accounting Standard 22 on 'Accounting for Taxes on Income'.
- During the half year ended September 30, 2009, Foreign Currency Convertible Bond(FCCB) holders holding Bonds of the value aggregating USD 13.24 million exercised their option for redemption at a premium of 19.38%. Accordingly, there are no outstanding FCCBs as at September 30, 2009.
- Previous period/year figures have been regrouped/reclassified wherever necessary.
- The Company is engaged in the business of providing Telecommunication Services under Unified Access License. In the context of Accounting Standard 17 on 'Segment Reporting', the results are considered to constitute a single reportable business segment.
- There were no investor complaints pending at the beginning of the quarter. 56 complaints were received and 56 complaints were resolved during the quarter and no complaints were pending as on September 30, 2009.
- The above financial results have been reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors of the Company at its meeting held on October 29, 2009.

For and on Behalf of the Board

Mumbai  
Date: October 29, 2009

**Dr Mukund Rajan**  
( Managing Director)