

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 NINE MONTHS ENDED DECEMBER 31, 2008

Sr. No.	Particulars	Quarter ended December 31,		Nine months Ended December 31,		Year Ended March 31,
		2008	2007	2008	2007	2008
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	a. Net Sales/Income from Telecommunication services	49401.45	43976.20	145911.45	125147.20	170719.00
	b. Other Operating Income (See note 2 and 3)	2006.38	730.10	7064.00	3229.20	6591.12
	c. Total	51407.83	44706.30	152975.45	128376.40	177310.12
2	Expenditure					
	a. Network operations costs	9918.32	7514.83	26721.10	20545.10	28798.00
	b. Interconnect and other access costs	11634.39	10983.90	35540.39	32018.90	43657.00
	c. Employees cost	2857.57	2349.00	8363.57	6945.00	9363.00
	d. Administration and other expenses	5507.16	4656.02	15547.16	13657.02	18414.50
	e. Marketing and business promotion expenses (Net)	6934.72	7613.15	21365.01	23153.45	30172.48
	f. Depreciation(Net)	10851.60	11371.00	33792.60	32153.00	43935.00
	g.Total (a+b+c+d+e+f)	47703.76	44487.90	141329.83	128472.47	174339.98
3	Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)	3704.07	218.40	11645.62	(96.07)	2970.14
4	Other Income (See note 4)	178.53	1244.10	915.54	1464.80	1650.34
5	Profit before Interest and Exceptional Items (3+4)	3882.60	1462.50	12561.16	1368.73	4620.48
6	Interest (See note 5(a) & 5(b))	8359.24	4192.05	25195.24	11822.05	17101.00
7	Loss after Interest but before Exceptional Items (5-6)	(4476.64)	(2729.55)	(12634.08)	(10453.32)	(12480.52)
8	Exceptional Items	-	-	-	-	-
9	Loss from Ordinary Activities before tax (7-8)	(4476.64)	(2729.55)	(12634.08)	(10453.32)	(12480.52)
10	Tax expense					
	- For income tax (See note 6)	-	-	-	-	-
	- For fringe benefit tax	30.00	13.00	80.00	62.00	93.00
11	Net Loss from Ordinary Activities after tax (9-10)	(4506.64)	(2742.55)	(12714.08)	(10515.32)	(12573.52)
12	Extraordinary items.	-	-	-	-	-
13	Net Loss for the period (11-12)	(4506.64)	(2742.55)	(12714.08)	(10515.32)	(12573.52)
14	Paid up equity share capital	189719.00	189325.00	189719.00	189325.00	189356.00
	(Face value Rs. 10/- per share) (See note 7)					
15	Reserves excluding revaluation reserves					(267031.53)
16	Earnings Per Share (EPS)					
	a) Basic and diluted EPS before Extraordinary items					
	- Basic	(0.24)	(0.15)	(0.67)	(0.57)	(0.68)
	- Diluted	(0.24)	(0.15)	(0.67)	(0.57)	(0.70)
	b) Basic and diluted EPS after Extraordinary items					
	- Basic	(0.24)	(0.15)	(0.67)	(0.57)	(0.68)
	- Diluted	(0.24)	(0.15)	(0.67)	(0.57)	(0.70)
17	Public Shareholdings					
	- Number of shares	651851111	613215263	651851111	613215263	648224325
	- Percentage of shareholdings	34.36	33.00	34.36	33.00	34.23
Subscribers information as on				Dec 31, 2008	Dec 31, 2007	March 31, 2008
(Nos. in thousands - unaudited)				6639	4696	5079

- Notes:
- Earning Before Interest, Depreciation, Extraordinary item and Tax (EBITDA) for the quarter / nine months ended December 31, 2008 is Rs.14734.20 lacs/ Rs.46353.76 lacs as compared to Rs.12833.50 lacs /Rs.33521.73 lacs for the corresponding quarter/nine months ended December 31, 2007.
 - During the previous quarter, with effect from April 1, 2008, the Company has decided to recognise the upfront Universal Service Obligation (USO) subsidy granted by Department of Telecommunication over the remaining validity period of the scheme/agreement as against the method of recognising the said revenue over a period of 5 years from the date of receipt from DoT. Accordingly, the "Other Operating Income" for the quarter and nine months is higher by Rs.448.81 lacs and Rs.1346.44 lacs respectively, and "Net Loss for the period" is lower by the like amount.
 - During the previous quarter, the Company has acquired a wholly owned subsidiary viz 21st Century Infra Tele Limited (21st Century). Consequent to the Shareholders approval on transfer of "Passive Tower Infrastructure Business" ('PI Business'), the Company has entered into a Business Transfer Agreement ('BTA') on September 30, 2008 to transfer the same on a going concern basis to 21st Century. The transfer included transfer of assets (fixed and current), liabilities (specific) related to the PI business for a lump sum consideration of Rs.29330.00 lacs resulting into a profit of Rs.6.63 lacs which has been included in "Other Operating Income".
 - Other Income includes liability written back in respect of earlier years of Rs.141.73 lacs / Rs 793.68 lacs for the quarter /nine months ended December 31, 2008 as compared to Rs.1093.67 lacs for the corresponding quarter/nine months ended December 31, 2007.
 - (a) Interest charges are disclosed on net basis. Interest and other income earned from treasury operations are reduced from the costs of treasury operations.
 - (b) **Foreign exchange fluctuations** - Interest charges also include amounts aggregating to Rs.959.21 lacs (loss) /Rs.6379.21 lacs (loss) for the quarter / nine months ended December 31, 2008 as compared to Rs.683.50 lacs (gain) / Rs.1444.73 lacs (gain) for the corresponding quarter/nine months ended December 31, 2007 on account of foreign exchange fluctuations.
 - 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 nine month ended December 31, 2008, Foreign Currency Convertible Bond(FCCB) holders holding Bonds of the value aggregating to USD 2.00 million exercised their option to convert their holding to equity, thus resulting in an increase in the paid up equity share capital by Rs. 362.68 lacs.
 - Previous year / period figures have been regrouped / reclassified wherever necessary.
 - The Company is engaged in the business of providing Telecommunication Services under Unified Access Licence. These, in the context of Accounting Standard 17 on "Segment Reporting", are considered to constitute a single reportable business segment.
 - There was 1 investor complaint pending at the beginning of the quarter. 27 complaints were received and resolved during the quarter and 1 complaint was pending as on December 31, 2008.
 - 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 January 19, 2009.

Mumbai
Date: January 19, 2009

Dr Mukund Rajan
(Managing Director)