

TATA TELESERVICES (MAHARASHTRA) LIMITED
 Regd. Office: Voltas Premises, T B Kadam Marg, Chinchpokli, Mumbai - 400 033

Rs. in Lacs

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2011							
Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010	March 31, 2011
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	a. Net Sales/Income from Telecommunication services	62433	61324	56339	182255	167328	224874
	b. Other Operating Income	622	318	1405	1438	4054	4457
	c. Profit on sale of long term investments (See note 1a)	-	-	-	-	83493	83493
	d. Total (a+b+c)	63055	61642	57744	183693	254875	312824
2	Expenditure						
	a. Network operations costs	12402	12269	11050	36754	33037	43704
	b. Interconnection and other access costs	12272	11617	10762	34675	32549	43308
	c. License fees and spectrum charges	6860	6643	5868	20056	15675	22183
	d. Employees cost	4229	4965	4144	13614	12455	16565
	e. Administration and other expenses	5841	6147	5862	18533	17751	23892
	f. Marketing and business promotion expenses (Net)	6831	6123	7245	19616	24351	32198
	g. Provision for Contingencies (See Note 1c)	1328	-	-	1,328	16,500	18560
	h. Depreciation / Amortisation (Net) (See note 1b and 1d)	13996	13411	14142	40038	42313	75070
	i.Total (a+b+c+d+e+f+g+h)	63899	61075	59073	184614	194631	275480
3	Profit / (Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)	(644)	567	(1329)	(921)	60244	37344
4	Other Income	327	399	728	857	1577	2263
5	Profit / (Loss) before Interest and Exceptional Items (3+4)	(317)	966	(601)	(64)	61821	39607
6	Interest (See notes 1b, 2 and 3)	14145	13987	7357	39351	23781	34616
7	(Loss) / Profit after interest but before Exceptional Items (5-6)	(14462)	(13021)	(7958)	(39415)	38040	4991
8	Exceptional Items	-	-	-	-	-	-
9	(Loss) / Profit from Ordinary Activities before tax (7-8)	(14462)	(13021)	(7958)	(39415)	38040	4991
10	Tax expense						
	- For Income Tax (See note 5)	-	-	-	-	-	-
	- For Wealth Tax	-	-	-	-	-	1
11	Net (Loss) / Profit from Ordinary Activities after tax (9-10)	(14462)	(13021)	(7958)	(39415)	38040	4990
12	Extraordinary items	-	-	-	-	-	-
13	Net (Loss) / Profit for the period / year (11-12)	(14462)	(13021)	(7958)	(39415)	38040	4990
14	Paid up equity share capital (Face value Rs. 10/- per share)	189720	189720	189720	189720	189720	189720
15	Reserves excluding revaluation reserves	-	-	-	-	-	(251363)
16	Earnings Per Share (EPS) (in Rupees)						
	a) Basic and diluted EPS before Extraordinary items						
	- Basic	(0.76)	(0.69)	(0.42)	(2.08)	2.01	0.26
	- Diluted	(0.76)	(0.69)	(0.42)	(2.08)	2.01	0.26
	b) Basic and diluted EPS after Extraordinary items						
	- Basic	(0.76)	(0.69)	(0.42)	(2.08)	2.01	0.26
	- Diluted	(0.76)	(0.69)	(0.42)	(2.08)	2.01	0.26
17	Public Shareholdings						
	- Number of shares	422675535	422675535	422675535	422675535	422675535	422675535
	- Percentage of shareholdings	22.28%	22.28%	22.28%	22.28%	22.28%	22.28%
18	Promoters and promoter group Shareholding						
	a) Pledged / Encumbered						
	Number of shares	493271182	493271182	493271182	493271182	493271182	493271182
	Percentage of Shares (as a % of total shareholding of promoter and promoter group)	33.45%	33.45%	33.45%	33.45%	33.45%	33.45%
	Percentage of Shares (as a % of total share capital of the Company)	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
	b) Non-encumbered						
	Number of shares	981250137	981250137	981250137	981250137	981250137	981250137
	Percentage of Shares (as a % of total shareholding of promoter and promoter group)	66.55%	66.55%	66.55%	66.55%	66.55%	66.55%
	Percentage of Shares (as a % of total share capital of the Company)	51.72%	51.72%	51.72%	51.72%	51.72%	51.72%
Subscribers information as on		Dec 31, 2011	Sep 30, 2011	Dec 31, 2010	Dec 31, 2011	Dec 31, 2010	Mar 31, 2011
(Nos. in thousands - unaudited)		15547	17588	16228	15547	16228	16852
Earning Before Interest, Depreciation, Extraordinary item and Tax (EBITDA)		13619	14377	13541	39974	104134	114677

Notes:

- The results for the previous period / year contain the following :
 - The Company had accounted for the profit on sale of long-term investment in its subsidiary viz. 21st Century Infra Tele Limited, during the quarter ended June 30, 2010 on completion of necessary formalities, pursuant to the Share Purchase Agreement entered into with Viom Networks Limited.
 - The Company had launched 3G services during the last quarter of the previous financial year. The Company paid Rs. 125782 lacs for 3G spectrum in Maharashtra circle (including Goa and excluding Mumbai) which was capitalized during the quarter ended June 30, 2010. In accordance with the accounting policy followed in this regard, the Company has commenced amortization of the aforesaid payment, on commencement of 3G operations and the same is being amortized over a period of 20 years in-line with the Unified Access services (UAS) License agreement, as amended. The borrowing cost attributable to the aforesaid aggregating to Rs. 2492 lacs / Rs. 5927 lacs had been capitalized during the corresponding quarter / nine months of the previous year in accordance with Accounting Standard 16 on 'Borrowing costs'.
 - Provision for contingencies is primarily towards the outstanding claims / litigations against the Company relating to Department of Telecommunication (DOT) and other parties.
 - During the last quarter of the previous year, the Company re-estimated the balance useful life of certain plant and machinery considering up-gradation of equipment on account of enhancement of technology and the consequent enhanced pace of planned replacement. As a result the depreciation charge for the previous year is higher by Rs. 18481 lacs.
- Interest charges are disclosed on net basis. Interest and other income earned from treasury operations are reduced from the costs of treasury operations aggregating to Rs.24 lacs / Rs.40 lacs for the quarter / nine months ended December 31, 2011 as compared to Rs.67 lacs / Rs.432 lacs for the corresponding quarter / nine months ended December 31, 2010. Interest charges also include amounts aggregating to Rs.1124 lacs (loss) / 3420 lacs (loss) for the quarter / nine months ended December 31, 2011 as compared to Rs.220 lacs (loss) / 1427 lacs (loss) for the corresponding quarter / nine months ended September 30, 2010 on account of foreign exchange fluctuations. (Also refer Note 1b and note 3 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 exercised this option in the last quarter of financial year 2008-09 and had, accordingly, adjusted the foreign exchange (gains) / losses of (Rs. 61 lacs) / Rs.554 lacs for the quarter / nine months ended December 31, 2010. As per the original notification, the option was available upto March 31, 2011, the date upto which the Company had exercised the same.
 The Central Government, vide notifications dated December 29, 2011, has further extended the applicability of the aforesaid notification upto March 31, 2020. Accordingly, the Company has continued to exercise the option and has adjusted exchange (gain) / loss aggregating to Rs. 17328 lacs / Rs. 33688 lacs for quarter / nine months ended December 31, 2011 as compared to (Rs. 61 lacs) / Rs 554 lacs for the corresponding quarter / nine months ended December 31, 2010 against the carrying value of fixed assets. The balance amount, based on aforesaid adjustments, of Plant and Machinery to be amortized, as at the period-end, aggregates to Rs. 33016 lacs (Previous period Rs 354 lacs).
- 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 Telecom Dispute and Settlement Appellate Tribunal (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 Department of Telecommunications (DOT) had filed an appeal in the Hon'ble Supreme Court of India (SC) against the aforesaid TDSAT Order. The Company has considered Rs.15436 lacs, being the LF on profit on sale of investment and bad debts written off during the previous year, as contingent liability and has also made payment of the same to DOT under protest. (Also refer Note 1 c above).
 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 demand raised by DOT is not in accordance with the Licence Agreement. Prior to the aforesaid judgment, the Company had received provisional assessment orders from DOT, against which applications have now been filed with the TDSAT in line with the aforesaid judgment. The Company has not received any further demands on this matter and hence no accounting treatment for the said order is considered necessary in the books of account, at this stage.
- 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'.
- 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. 23 complaints were received and 23 complaints were resolved during the quarter and no complaints were pending as on December 31, 2011.
- 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 February 3, 2012.

For and on Behalf of the Board

Mumbai
Date: February 3, 2012

N. Srinath
(Managing Director)

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
TATA TELESERVICES (MAHARASHTRA) LIMITED**

We have audited the accompanying Statement of financial results ("the Statement") of **TATA TELESERVICES (MAHARASHTRA) LIMITED** for the quarter and nine months ended December 31, 2011 being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement with the Stock Exchanges. This Statement has been prepared on the basis of the interim financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement based on our audit of related interim financial statements, which has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.

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

Attention is invited to note no. 4 of the statement, regarding setting aside of the Order of the Telecom Disputes Settlement & Appellant Tribunal (TDSAT) regarding computation of License fees (LF) by the Hon'ble Supreme Court of India (SC). The TDSAT Order stated that income from sale of securities is not related to the licensed activity and that bad debts written off, waivers and discounts are actual monies lost by service providers and hence should be deducted from Adjusted Gross Revenue (AGR) while computing the LF. The Company, has considered Rs.154.36 crores, being the LF on profit on sale of investment and bad debts written off during the previous year, as contingent liability and has also made payment of the same to Department of Telecommunications (DOT) under protest. Prior to the aforesaid judgment, the Company had received provisional assessment orders from DOT, against which applications have now been filed with the TDSAT in line with the aforesaid judgment. Our opinion is not qualified in respect of this matter.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i) is presented in accordance with the requirements of Clause 41 of the Listing Agreement with the Stock Exchanges; and
- ii) gives a true and fair view of the net loss and other financial information of the Company for the quarter and six months ended December 31, 2011.

Deloitte Haskins & Sells

Further, we also report that we have traced from the details furnished by the Management/Registrar, the number of shares as well as the percentage of shareholdings in respect of aggregate amount of public shareholdings, pledged /encumbered shares and non-encumbered shares of promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints.

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



A.B. Jani
Partner

Membership No. 46488

Mumbai, dated: February 3, 2012

Tata Teleservices (Maharashtra) Limited (TTML) Shows 8-Per Cent Growth in Revenues

- Company's revenues for Q3 FY12 is Rs 634 crore, YoY growth of 8 per cent
- TTML EBIDTA for Q3 FY12 stands at Rs 136 crore
- Launches Tata DOCOMO Photon Max in Mumbai, a dedicated data carrier for consistent and unmatched browsing experience

Mumbai, 3 February 2012: TTML today announced its quarterly and nine month financial results for the period ended 31st December 2011. The Company showed an 8 per cent growth in year-on-year revenues at Rs 634 crore for the quarter ended 31st December 2011, compared to Rs 585 crore in the corresponding quarter of the previous year.

TTML's EBIDTA stood at Rs 136 crore for the quarter in review. The Company maintained a strong focus on wireless broadband services, and its VAS and data revenues accounted for 32 per cent of total wireless revenues in Q3 FY12.

Other highlights in the nine month of the ongoing year saw the Company registering a revenue growth of 7 per cent, at Rs 1,845 crore, compared to Rs 1,730 crore in the corresponding period of the previous year. Nine month EBIDTA grew by 8 per cent to Rs 400 crore, compared to Rs 371 crore in the corresponding period of the previous year after excluding profit on sale of long term investments.

TTML also announced the launch of Tata DOCOMO Photon Max, a high speed wireless mobile broadband services that offers speeds of up to 6.2 MBPS. Available on the CDMA technology platform, Tata DOCOMO Photon Max, provides users with a never-before browsing experience, the benefit of Free National Roaming and Seamless In-building Coverage.

"Over the past year, the mobility market has seen far-reaching changes. The increasing demand for high - speed mobile broadband access and associated services is leading to a fundamental shift in the role of mobile telephony. At Tata Teleservices (TTL), our growing portfolio of products, applications and solutions allow consumers and enterprises, to access cutting-edge voice and data services, enjoy content of their choice, and experience a host of life enhancing solutions." **Mr. N Srinath, Managing Director Tata Teleservices (Maharashtra) Limited**, said.

"These are exciting times at TTL and mark the Company's evolution from being just an access provider to a multi-platform telecom applications and solutions organization, with one single brand—Tata DOCOMO—for customer connect, ease and delight. " **he added.**

Reinforcing its claim as a superior network service provider, Tata DOCOMO, the unified telecom brand of Tata Teleservices (Maharashtra) Limited , has extended its network strength to over 9000 towers in last few months across Mumbai , Maharashtra and Goa circles ensuring that customers continue to enjoy hassle free services on its seamless network.

About Tata Teleservices (Maharashtra) Limited

Tata Teleservices (Maharashtra) Limited (TTML) is a fully integrated, premier telecommunication service provider licensed to provide telecommunication services in Maharashtra (including Mumbai) and Goa. TTML has operations on the CDMA, GSM and 3G platforms. It focuses on all market segments, i.e. commercial, residential and public telephony. The Company is listed on the Bombay Stock Exchange Limited (BSE) (Scrip code-532371) and the National Stock Exchange of India Limited (NSE) (Scrip symbol - TTML). The Company alongwith Tata Teleservices Limited, one of India's leading private telecom service providers, has a pan-India presence across all of India's 22 telecom Circles. TTL (TTSL & TTML) offers integrated telecom solutions to its customers and operates in more than 450,000 towns and villages across the country. Thanks to its association with NTT DOCOMO, the Company finds itself suitably positioned to leverage its first-mover advantage in the 3G space. TTL's bouquet of telephony services includes mobile services, wireless desktop phones and public telephony.

For details, visit www.tatateleservices.com and www.tatadocomo.com

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