



August 3, 2016

BSE Limited  
P. J. Towers,  
Dalal Street  
Mumbai – 400 001

National Stock Exchange of India Limited  
Exchange Plaza C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Scrip Code: 532371**

**Scrip Symbol: TTML**

Dear Sir/Madam,

**Subject: Unaudited Financial Results for the quarter ended June 30, 2016**

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Unaudited Financial Results for the quarter ended June 30, 2016 along with the Limited Review Report issued by the Statutory Auditors of the Company.

Thanking you,

Yours faithfully,  
For Tata Teleservices (Maharashtra) Limited

Kiran Thacker  
Company Secretary

Encl.: As stated above.

**TATA TELESERVICES (MAHARASHTRA) LIMITED**

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

**TATA TELESERVICES (MAHARASHTRA) LIMITED**

Regd. Office: Voltas Premises, T B Kadam Marg, Chinchpokli, Mumbai - 400 033  
Tel.: 91-22-6667 1414 Fax: 91-22-6660 5335, e-mail: investor.relations@tatatel.co.in, website: www.tatateleservices.com  
Corporate Identification Number : L64200MH1995PLC086354

Rs in Lakhs

**STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2016**

| Sr.<br>No. | Particulars                                                                                 | Quarter ended  |               |
|------------|---------------------------------------------------------------------------------------------|----------------|---------------|
|            |                                                                                             | June 30, 2016  | June 30, 2015 |
| 1          | <b>Income from operations</b>                                                               |                |               |
|            | a. Net sales / income from telecommunication services                                       | 72297          | 73509         |
|            | b. Other operating income                                                                   | 1194           | 1564          |
|            | <b>Total income from operations (Net)</b>                                                   | <b>73491</b>   | <b>75073</b>  |
| 2          | <b>Expenses</b>                                                                             |                |               |
|            | a. Cost of goods sold                                                                       | 347            | 515           |
|            | b. Employee benefits expense                                                                | 3053           | 2537          |
|            | c. Depreciation and amortisation expense (Net of reversals)                                 | 15475          | 15581         |
|            | d. Network operations expense                                                               | 17725          | 20099         |
|            | e. Interconnection and other access expense                                                 | 12517          | 12498         |
|            | f. License fees and spectrum expense                                                        | 7319           | 7163          |
|            | g. Administration and other expense                                                         | 8658           | 7404          |
|            | h. Marketing and business promotion expense                                                 | 2712           | 2989          |
|            | i. Provision for contingencies (Refer note 6)                                               | 920            | 870           |
|            | <b>Total expenses</b>                                                                       | <b>68726</b>   | <b>69656</b>  |
| 3          | <b>Profit from operations before other income, finance cost and exceptional items (1-2)</b> | <b>4765</b>    | <b>5417</b>   |
| 4          | Other income                                                                                | 1482           | 1010          |
| 5          | <b>Profit from ordinary activities before finance cost and exceptional items (3+4)</b>      | <b>6247</b>    | <b>6427</b>   |
| 6          | Finance costs (Net)                                                                         | 17054          | 14780         |
| 7          | <b>Loss from ordinary activities after finance cost but before exceptional items (5-6)</b>  | <b>(10807)</b> | <b>(8353)</b> |
| 8          | Exceptional items                                                                           | -              | -             |
| 9          | <b>Loss from ordinary activities before tax (7-8)</b>                                       | <b>(10807)</b> | <b>(8353)</b> |
| 10         | Tax expense (Refer note 7)                                                                  | -              | -             |
| 11         | <b>Net loss from ordinary activities after tax (9-10)</b>                                   | <b>(10807)</b> | <b>(8353)</b> |
| 12         | Extraordinary items                                                                         | -              | -             |
| 13         | <b>Net loss for the period (11-12)</b>                                                      | <b>(10807)</b> | <b>(8353)</b> |
| 14         | Other Comprehensive Income                                                                  | (1938)         | 115           |
| 15         | <b>Total Comprehensive Loss for the period (13+14)</b>                                      | <b>(12745)</b> | <b>(8238)</b> |
| 16         | Paid up equity share capital<br>(Face value Rs. 10/- per share)                             | 195493         | 195493        |
| 17         | Basic and diluted earnings per share (of Rs. 10 each)                                       | (0.55)         | (0.43)        |
|            | See accompanying notes to the financial results                                             |                |               |

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**Notes:**

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on August 03, 2016.
- 2 The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.  
Reconciliation of net loss for corresponding quarter ended June 30, 2015 between previous GAAP and Ind AS is as under:

| Particulars                                                                                     | Rs in Lakhs                    |
|-------------------------------------------------------------------------------------------------|--------------------------------|
|                                                                                                 | Quarter ended<br>June 30, 2015 |
| Net Loss as per previous Indian GAAP                                                            | (10331)                        |
| Measurement of financial assets at amortised cost                                               | (3)                            |
| Measurement of financial liabilities at amortised cost & impact of related derivative contracts | 1834                           |
| Actuarial loss On employee benefit funds recognised in Other Comprehensive Income               | (115)                          |
| Fair value of investments                                                                       | 262                            |
| <b>Net Loss for the period under Ind AS</b>                                                     | <b>(8353)</b>                  |
| Other Comprehensive Income                                                                      | 115                            |
| <b>Total Comprehensive Income under Ind AS</b>                                                  | <b>(8238)</b>                  |

- 3 The financial results for the quarter ended June 30, 2015 has not been reviewed by statutory auditors and has been presented based on the information complied by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS.
- 4 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. 381,728 lakhs. The Company has recorded the principal value of Spectrum of Rs. 199,854 lakhs for Maharashtra Service Area and of Rs. 181,874 lakhs for Mumbai Service Area as Intangible assets under development under fixed assets. The deferred liability payable to DoT (net of said payments) of Rs. 286,296 lakhs has been recorded under long - term borrowings. Further, the Company has capitalised interest of Rs. 12,558 lakhs on borrowings from banks for upfront payments and interest of Rs. 36,481 lakhs on deferred payment liability payable to DoT.
- 5 Various demands and notices that have been received from the DoT have been disputed by the Company at the appropriate forums such as The Telecom Disputes Settlement and Appellate Tribunal (TDSAT) and the Courts at different levels, including the High Court and the Supreme Court.
- 6 Provision for contingencies is primarily towards the outstanding claims / litigations against the Company relating to DoT and other parties.
- 7 On the basis of Company's computation there is no taxable income, no provision for income tax is required to be recognised.
- 8 The Company is engaged in the business of providing telecommunication services under Unified Access Service License. In the context of Accounting Standard 17 on 'Segment Reporting', the results are considered to constitute a single reportable primary / business segment.
- 9 The accumulated losses of the Company as of June 30, 2016, has exceeded its paid-up capital and reserves. The Company's results for the quarter ended on the said date reflects a loss position and its current liabilities exceeded its current assets as at June 30, 2016. 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. 47,587 lakhs being recalled by the lenders. Tata Sons Limited (Holding Company as per Companies Act, 2013) has provided sponsor support undertaking to arrange/ contribute equity of Rs. 80,000 lakhs, to the lenders of the Company.  
Further, the Company's operational and cash flow projections for the current financial year envisages renewal of spectrum. The Company is in the process of negotiating roll forward / re-finance of short term borrowings. The Company is therefore, dependent on its ability to be able to successfully renew the spectrum and to meet the fund requirements to achieve its projections, failing which will have a significant impact on its ability to continue as a going concern.  
The Company has received a support letter from Tata Sons Limited indicating fund infusion, directly or indirectly, for the purpose of spectrum renewal and related capital expenditure. To execute the funding support from Tata Sons Limited, the Board of Directors of the Company has approved (subject to shareholders' approval) issue of 0.1% non-cumulative redeemable preference shares on preferential basis to Tata Teleservices Limited (TTSL) (a subsidiary of Tata Sons Limited under the Companies Act, 2013).  
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.
- 10 Previous period / year figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

N. Srinath

(Managing Director)  
(DIN No. 00058133)

Place : Mumbai

Date : August 03, 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **TATA TELESERVICES (MAHARASHTRA) LIMITED** ("the Company") for the Quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. We draw attention to Note 9 which states the basis on which the statement has been prepared on a going concern basis. As of June 30, 2016, the accumulated losses of the Company exceeded its paid-up capital and reserves and the Company's current liabilities exceeded its current assets. The Company's going concern basis, as more fully described in note 9, is dependent on successful renewal of the spectrum and the successful outcome of its negotiation with the lenders to meet the fund requirements to achieve its projections. If the Company is unable to renew the spectrum or successfully roll forward or refinance the short-term borrowings, then the Company may not be able to meet its obligations or realize its assets in the normal course of business. Our opinion is not modified in respect of this matter.

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We have not reviewed the financial results and other financial information for the Quarter ended June 30, 2015 which have been presented solely based on the financial information compiled by the Management.

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



Saira Nainar  
Partner  
Membership No. 040081

MUMBAI, August 3, 2016