



October 25, 2010

Bombay Stock Exchange Limited
P. J. Towers,
Dalal Street,
Mumbai - 400 001.
Fax # 2272 3121 / 2037 / 2041 / 2061
E-mail # corp.relations@bseindia.com

National Stock Exchange of India Limited
Listing Department
Plot No.C/1, 'G' Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Fax # 2659 8237 / 8238
E-mail # cmlist@nse.co.in

Dear Sir/Madam,

Ref.: Demat Segment Code No.: 532371, Scrip ID : TTML

Subject: Audited Financial Results for the Quarter ended September 30, 2010

Pursuant to the requirement under Clause 41 of the Listing Agreement, we are enclosing herewith the following:

1. Standalone Audited financial results for the quarter ended September 30, 2010 alongwith Auditors' report thereon; and
2. Press release proposed to be issued by us in connection with the above.

This is for your information & records please.

Thanking you,

Yours faithfully,
For Tata Teleservices (Maharashtra) Limited

Madhav Joshi
Chief Legal Officer &
Company Secretary

Encl.: As stated above.

TATA TELESERVICES (MAHARASHTRA) LIMITED

D-26/2 TTC Industrial Area MIDC Sanpada P.O.Turbhe Navi Mumbai 400 703
Tel.: 91-22-6661 5445 Fax: 91-22-6660 5516 / 17 / 6791 7777
Registered Office : C Block Voltas Premises T.B.Kadam Marg Chinchpokli Mumbai 400 033.

TATA TELESERVICES (MAHARASHTRA) LIMITED						
Regd. Office: Voltas Premises, T B Kadam Marg, Chinchpokli, Mumbai - 400 033						
Rs. in Lacs						
A. AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010						
Sr. No.	Particulars	Quarter ended September 30,		Half year ended September 30,		Year ended March 31,
		2010	2009	2010	2009	2010
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	a. Net Sales/Income from Telecommunication services	55768	49832	110989	96652	206910
	b. Other Operating Income (See note 2)	1861	3994	2649	8112	18000
	c. Profit on sale of long term investments (See note 3)	-	-	83493	-	-
	d. Total (a+b+c)	57629	53826	197131	104764	224910
2	Expenditure					
	a. Network operations costs	15980	12644	30374	23677	53582
	b. Interconnect and other access costs	11674	10352	22825	19457	44091
	c. Employees cost	4260	3664	8311	7122	14626
	d. Administration and other expenses	6018	6789	12271	12591	24241
	e. Marketing and business promotion expenses (Net)	8473	9943	17106	16389	37190
	f. Provision for Contingencies (See Note 4)	-	-	16500	-	-
	g. Depreciation / Amortisation (Net)	14138	12382	28171	23365	52089
	h.Total (a+b+c+d+e+f+g)	60543	55774	135558	102601	225819
3	(Loss) / Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	(2914)	(1948)	61573	2163	(909)
4	Other Income	570	682	849	819	2871
5	(Loss) / Profit before Interest and Exceptional Items (3+4)	(2344)	(1266)	62422	2982	1962
6	Interest (See notes 5 and 6)	7446	9567	16424	16086	31762
7	(Loss) / Profit after Interest but before Exceptional Items (5-6)	(9790)	(10833)	45998	(13104)	(29800)
8	Exceptional Items	-	-	-	-	-
9	(Loss) / Profit from Ordinary Activities before tax (7-8)	(9790)	(10833)	45998	(13104)	(29800)
10	Tax expense					
	- For Income Tax (See note 7)	-	-	-	-	-
	- For Wealth Tax	-	-	-	-	1
	- For Fringe Benefits Tax	-	(35)	-	-	-
11	Net (Loss) / Profit from Ordinary Activities after tax (9-10)	(9790)	(10798)	45998	(13104)	(29801)
12	Extraordinary items	-	-	-	-	-
13	Net (Loss) / Profit for the period (11-12)	(9790)	(10798)	45998	(13104)	(29801)
14	Paid up equity share capital (Face value Rs. 10/- per share)	189720	189720	189720	189720	189720
15	Reserves excluding revaluation reserves					(256353)
16	Earnings Per Share (EPS) (In Rupees)					
	a) Basic and diluted EPS before Extraordinary items					
	- Basic	(0.52)	(0.57)	2.42	(0.69)	(1.57)
	- Diluted	(0.52)	(0.57)	2.42	(0.69)	(1.57)
	b) Basic and diluted EPS after Extraordinary items					
	- Basic	(0.52)	(0.57)	2.42	(0.69)	(1.57)
	- Diluted	(0.52)	(0.57)	2.42	(0.69)	(1.57)
17	Public Shareholdings					
	- Number of shares	422675535	422675535	422675535	422675535	422675535
	- Percentage of shareholdings	22.28%	22.28%	22.28%	22.28%	22.28%
18	Promoters and promoter group Shareholding					
	a) Pledged / Encumbered					
	Number of shares	493271182	942831680	493271182	942831680	493271182
	Percentage of Shares (as a % of total shareholding of promoter and promoter group)	33.45%	63.94%	33.45%	63.94%	33.45%
	Percentage of Shares (as a % of total share capital of the Company)	26.00%	49.70%	26.00%	49.70%	26.00%
	b) Non-encumbered					
	Number of shares	981250137	531689639	981250137	531689639	981250137
	Percentage of Shares (as a % of total shareholding of promoter and promoter group)	66.55%	36.06%	66.55%	36.06%	66.55%
	Percentage of Shares (as a % of total share capital of the Company)	51.72%	28.02%	51.72%	28.02%	51.72%
Subscribers information as on		Sep 30, 2010	Sep 30, 2009	Sep 30, 2010	Sep 30, 2009	March 31, 2010
(Nos. in thousands - unaudited)		15072	9636	15072	9636	13000
Earning Before Interest, Depreciation, Extraordinary item and Tax (EBITDA)		11794	11116	90593	26347	54051
B. AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2010						
	Particulars	As at September 30,				
		2010	2009			
		(Audited)	(Audited)			
	Shareholders' funds					
	Share Capital	189720	189720			
	Reserves and Surplus	58316	58316			
	Loan Funds					
	Secured Loans	215799	196545			
	Unsecured Loans	234182	138300			
	TOTAL	698017	582881			
	Fixed Assets (Net Block) (See Note 8)	496774	354476			
	Investments	14192	7500			
	Current Assets, Loans and Advances					
	Inventories	337	745			
	Sundry Debtors	28535	25508			
	Cash and Bank Balances	16492	3680			
	Loans and Advances	43587	36828			
	Less: Current Liabilities and Provisions					
	Current Liabilities	153431	142127			
	Provisions	17140	1701			
	Profit and Loss Account	268671	297972			
	TOTAL	698017	582881			

Notes:

- 1 The Company has commenced operations using GSM technology in August 2009 and therefore the results for this half year are not comparable with those of the corresponding prior period.
- 2 Other operating Income for the quarter / half year ended September 30, 2010 includes subsidies from Department of Telecommunications for Universal Service Obligation of Rs. 4 lacs / Rs. 687 lacs as compared to Rs. 3481 lacs / Rs. 5868 lacs for the quarter / half year ended September 30, 2009 and also includes Rs.1619 lacs / Rs.1619 lacs as compared to Rs. 419 lacs / Rs. 2085 lacs for the quarter / half year ended September 30, 2009 relating to profit on sale of dark fibre and bandwidth capacities.
- 3 The Company has accounted for the profit on sale of long-term investment in its subsidiary 21st Century Infra Tele Limited, during the previous quarter on completion of necessary formalities, pursuant to the Share Purchase Agreement entered into with Viom Networks Limited (formerly known as Wireless-TT Info Services Limited.)
- 4 Provision for contingencies is primarily towards the outstanding claims / litigations against the Company relating to Department of Telecommunication (DoT) and other parties.
- 5 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.23 lacs (gain) / Rs.1207 lacs (loss) for the quarter / half year ended September 30, 2010 as compared to Rs.528 lacs (loss) / Rs.828 lacs (loss) for the quarter / half year ended September 30, 2009 on account of foreign exchange fluctuations. (Also refer Note 6 below)
- 6 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 has, accordingly, adjusted the foreign exchange (gain) / losses of (Rs. 1273 lacs) / Rs.615 lacs for the quarter / half year ended September 30, 2010 as compared to 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. The amount (after the aforesaid adjustments) of Plant and Machinery remaining to be amortized as at the period-end aggregates Rs. 359 lacs (credit) (Previous period Rs.1924 lacs (debit)).
- 7 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'.
- 8 The Company succeeded in winning the bid for 3G spectrum in Maharashtra circle (including Goa and excluding Mumbai) and has accordingly capitalized related licence fees aggregating Rs. 125782 lacs during the period. The Company will amortize licence fees on commencement of commercial 3G operations.
- 9 Previous period figures have been regrouped/reclassified wherever necessary.
- 10 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.
- 11 There were no investor complaints pending at the beginning of the quarter. 40 complaints were received and 40 complaints were resolved during the quarter and no complaints were pending as on September 30, 2010.
- 12 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 25, 2010.

For and on Behalf of the Board

Mumbai
Date: October 25, 2010

Anil Kumar Sardana
(Managing Director)

**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 half year ended September 30, 2010 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.

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 profit and other financial information of the Company for the quarter and half year ended September 30, 2010.

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: October 25, 2010

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TTML grows in Revenue by 7% YoY and in Cash-Profit

- **Subscriber base crosses 15 million in the quarter ended September 30, 2010, YoY growth of 56%**
- **Revenue at Rs 582 crores, YoY growth of 7%**
- **EBIDTA at Rs 118 crores, YoY growth of 6%**
- **Wireless services MoU registered a 37% growth over corresponding quarter of previous year**

Mumbai, October 25, 2010: TATA Teleservices (Maharashtra) Limited today announced its Quarterly and half yearly results for the period ended September 30, 2010

- **3G launches in first 3 towns in November and gradually all key towns by end of Q3**

Quarterly Highlights:

- TTML subscriber base stands at **15.1 mn** – an increase of **56%** over the corresponding quarter of the previous year
- Gross Minutes of usage of wireless services increased by **37%** over the corresponding quarter of the previous year
- **Revenues grew to Rs. 582 crores** – an increase of **7%** over the corresponding quarter of the previous year
- The Company registered a **Cash profit of Rs. 44 crores**
- TTML is the **only network across Mumbai and Maharashtra to be rated congestion free** in seven consecutive reports published by TRAI. At the beginning of the year, TTML had also been rated in independent studies commissioned by TRAI as the **No. 1 wireless operator** in terms of overall customer satisfaction in its geography
- Focus on wireless broadband service, Photon⁺ with VAS and data services increased data revenues to **22.1% of total wireless revenues in Q2 of FY 10-11**

Half yearly Highlights:

- TTML subscriber base stands at **15.1 mn** – an increase of **56%** over the corresponding half of the previous year
- Gross Minutes of usage of wireless services increased by **40%** over the corresponding half of the previous year
- **Revenues grew to Rs. 1145 crores** – an increase of **8%** over the corresponding half of the previous year. This revenue excludes profit from sale of Investment in Tower subsidiary
- **Profit After Tax for half year is Rs. 460 crores including profit from sale of investment in Tower Subsidiary**

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 wireless operations on both CDMA (Tata Indicom) and GSM (Tata DoCoMo) platforms. It focuses on all market segments, i.e. commercial, residential and public telephony. TTML has over **15 million customers** in Maharashtra and Goa. These include reputed corporates, SMEs and residential customers. The Company has been rated the **No. 1 wireless operator** in terms of overall customer satisfaction across Maharashtra (including Mumbai) and Goa, in surveys commissioned by the Telecom Regulatory Authority of India (TRAI). 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).

For details, please contact:

Rajeev Narayan

Tata Teleservices (Maharashtra) Limited,
rajeev.narayan@tatatel.co.in
+91 9212105151

Pushpendra Dhansoia

Vaishnavi Corporate Communications
pushpendra.dhansoia@vccpl.com
+91 9223317542