



October 18, 2017

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

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza, Plot No. C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: 532371

Scrip Symbol: TTML

Dear Sir / Madam,

Re.: Intimation of Revision in Ratings

In terms of Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that ICRA Limited ("ICRA") has revised its ratings on the following facilities of the Company to [ICRA]A- under rating watch with developing implications and has removed the Stable outlook:

Instruments	Amount Rated (Rs. Crores)	Rating Action
Term Loans	359 [^]	[ICRA]A- (under rating watch with developing implications)
Fund-based/Non-Fund based limits	465	[ICRA]A- (under rating watch with developing implications)
Unallocated Limits	188	[ICRA]A- (under rating watch with developing implications)

[^]amount outstanding as on September 30, 2017 stands at Rs. 203 Crores

The Rating Rationale of ICRA dated October 17, 2017 for the revision in credit rating is enclosed.

This is for your information and records.

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 email : investor.relations@tatatel.co.in
CIN: L64200MH1995PLC086354 Website www.tatateleservices.com

October 17, 2017

Tata Teleservices Maharashtra Limited

Summary of rated instruments

Instruments*	Amount Rated (Rs. crore [†])	Rating Action
Term Loans	359 [^]	[ICRA]A- placed under rating watch with developing implications; Stable outlook removed
Fund-based/Non-Fund based limits	465	[ICRA]A- placed under rating watch with developing implications; Stable outlook removed
Unallocated Limits	188	[ICRA]A- placed under rating watch with developing implications; Stable outlook removed

**Instrument details are provided in Annexure-1*

[^]amount outstanding as on September 30, 2017 stands at Rs. 203 crore

Rating action

ICRA has placed the long-term rating of [ICRA]A- (pronounced ICRA A minus) for the Rs. 359-crore term loans (amount outstanding as on September 30, 2017 stands at Rs. 203 crore), Rs. 465-crore long-term fund-based/non-fund based limits, and Rs. 188-crore unallocated facilities of Tata Teleservices (Maharashtra) Limited (TTML)¹ under rating watch with developing implications and has removed the Stable outlook.

Rationale

The rating action factors in the recent announcement that the Group {TTML and its group company Tata Teleservices Limited (TTSL)} will be merging their consumer mobile business (CMB) with Bharti Airtel Limited (BAL). As per the agreement, BAL will take the wireless customers of the Group (over 40 million) and Group's spectrum while assuming a small portion of the Group's spectrum liabilities. BAL will also get right to use the Group's existing fibre network. The other business namely – enterprise business, fixed line, broadband and fibre network will remain in the Group. Further the Group will also retain its stake in telecom tower company-ATC Telecom Infrastructure Private Limited (ATC TIPL). All past liabilities and dues are also to be settled by the Group.

ICRA notes that since under the proposed merger, only a small portion of debt is being transferred to BAL, the balance sizeable debt of the Group will have to be serviced from cash flows from the businesses remaining in the group and the funding support from the promoters-Tata Sons Limited {Rated [ICRA]AAA(Stable)/A1+} which would remain critical. ICRA will monitor developments with regard to the assets and liabilities that remain with TTML after the conclusion of the said transaction and the extent and form of promoter support to service its remaining debt liabilities.

[†] 100 lakh = 1 crore = 10 million

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

Key rating drivers

Credit strengths

- **Continuing support from promoters** – The company being a part of the Tata Group continues to derive strength from strong parentage. The promoters - Tata Sons Limited {Rated [ICRA]AAA(Stable)/A1+} continues to remain committed to the company and is expected to fund its required cash flow shortfall.
- **Expected reduction in cash losses** – with the transfer of loss making CMB, the group's cash flows from operations are expected to witness improvement going forward given that the other business segments are expected to generate relatively better profitability than CMB.

Credit weaknesses

- **Persisting high debt** – with the transfer of CMB, there will be loss of revenue, however there is no significant reduction in its debt. The total debt of the company continues to remain high, servicing of which hinges primarily on promoters support.

Analytical approach:

For arriving at the ratings, ICRA has considered the standalone financial and operating profile of TTML along with applying the rating methodologies as mentioned below.

Links to applicable criteria

[Corporate Credit Rating Methodology](#)
[Rating Methodology for Mobile Service Providers](#)

About the company:

TTML is a telecommunication service provider licenced to provide telecommunication services in Mumbai Metro and Rest of Maharashtra (including Goa). TTML is an integrated player across technologies (CDMA, GSM and 3G (in Maharashtra service area)) products (voice, data and other enterprise services) and customer segments (retail, large corporate and small and medium enterprises). TTML is listed on BSE and NSE and has 6.7 million wireless subscribers as on July 31, 2017.

Key financial indicators

	FY16	FY17
Operating Income (Rs. Crores)	2,972	2,703
PAT (Rs. Crores)	-358	-2,356
OPBDIT/ OI (%)	26.5%	24.2%
RoCE (%)	5.2%	-11.6%
Total Debt/ TNW (times)	Negative	Negative
Total Debt/ OPBDIT (times)	15.3	25.0
Interest coverage (times)	1.2	0.5
NWC/ OI (%)	-5.8%	-8.7%

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years
Table

S. No.	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years			
		Type	Rated amount (Rs. Crores)	Month - year & rating	Month - year & rating	Month - year & Rating in FY2017	Month - year & Rating in FY2016	Month - year & Rating in FY2015
1	Fund-based Limits (Term Loans)	Long term		Oct 2017	July 2017	Nov 2016	March 2016	Dec 2014
			359*	[ICRA]A- &	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A (Negative)	[ICRA]A (Stable)
2	Fund-based/Non-fund Based limits	Long term	465	[ICRA]A- &	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A (Negative)	[ICRA]A (Stable)
3	Unallocated Limits	Long term	188	[ICRA]A- &	[ICRA]A- (Stable)	[ICRA]A- (Negative)	[ICRA]A (Negative)	[ICRA]A (Stable)

* amount outstanding as on September 30, 2017 stands at Rs. 203 crore

& - under rating watch with developing implications

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

**Annexure-1
Instruments Details**

Name of the instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue (Rs. Cr)	Current Rating and Outlook
Fund-based Term Loans	-	-	FY2019	359*	[ICRA]A-&
Fund-based/Non-fund Based limits	-	-	-	465	[ICRA]A-&
Unallocated Limits	-	-	-	188	[ICRA]A-&

Source: Tata Teleservices (Maharashtra) Limited

*amount outstanding as on September 30, 2017 stands at Rs. 203 crore

& - under rating watch with developing implications

Contact Details

Analyst Contacts

Sabyasachi Majumdar
+91 124 4545 304
sabyasachi@icraindia.com

Harsh Jagnani
+0124-4545 394
harshj@icraindia.com

Sachin Sachdeva
+0124-4545 307
sachin.sachdeva@icraindia.com

Relationship Contact

Mr. L Shivakumar
+91 22 61143406
shivakumar@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500