



November 22, 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 CRISIL Limited ("CRISIL") has upgraded its ratings on the following bank loan facilities of the Company to '**CRISIL AA-/CRISIL A1+**' from '**CRISIL A/CRISIL A1**'. The ratings have been removed from 'Watch with Developing Implications' and a '**Stable**' outlook has been assigned to the long-term facilities.

Total bank loan facilities rated	Rs. 5,166 Crores
Long-Term Rating	CRISIL AA-/Stable (Upgraded from 'CRISIL A'; Removed from 'Rating Watch with Developing Implications')
Short-Term Rating	CRISIL A1+ (Upgraded from 'CRISIL A1'; Removed from 'Rating Watch with Developing Implications')

The Rating Rationale of CRISIL dated November 21, 2017 for the upgradation in credit ratings 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

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CIN: L64200MH1995PLC086354 Website www.tatateleservices.com

Rating Rationale

November 21, 2017 | Mumbai

Tata Teleservices (Maharashtra) Limited

Ratings upgraded to 'CRISIL AA-/Stable/CRISIL A1+', removed from 'Watch Developing'

Rating Action

Total Bank Loan Facilities Rated	Rs.5166 Crore
Long Term Rating	CRISIL AA-/Stable (Upgraded from 'CRISIL A'; Removed from 'Rating Watch with Developing Implications')
Short Term Rating	CRISIL A1+ (Upgraded from 'CRISIL A1'; Removed from 'Rating Watch with Developing Implications')

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has upgraded its ratings on the bank loan facilities of Tata Teleservices (Maharashtra) Ltd (TTML) to '**CRISIL AA-/CRISIL A1+**' from 'CRISIL A/CRISIL A1'. The ratings have been removed from 'Watch with Developing Implications' and a '**Stable**' outlook has been assigned to the long-term facilities.

The upgrade centrally factors in the strong support expected from Tata Sons Ltd (Tata Sons; 'CRISIL AAA/FAAA/Stable/CRISIL A1+') to Tata Teleservices Ltd (TTSL) and its associate, TTML. TTSL and TTML have together been referred to as Tata Tele.

Tata Sons plans to invest Rs 20,000 crore in Tata Tele (against the earlier planned Rs 14,000 crore), which will primarily be used to repay debt. Remaining bank debt is expected to be refinanced through debt instruments of short to medium term maturity. Tata Sons will work with Tata Tele in case the latter needs to arrange for any shortfall in liquidity that may be required for timely debt repayment.

CRISIL had placed its ratings on Tata Tele on 'Watch with Developing Implications' on October 17, 2017, following announcement by TTML to combine Tata Tele's consumer mobile business with Bharti Airtel Ltd (Bharti; 'CRISIL 'CRISIL AA+/Stable/CRISIL A1+'). Bharti is to assume a portion of Tata Tele's spectrum-related obligation.

Tata Tele had also announced plans of divesting its enterprise, and fixed line and broadband businesses to group companies. CRISIL has received clarity over likely timelines for divesting the consumer mobile and other businesses, and the overall debt reduction plan, and believes Tata Sons' continued support will enable Tata Tele to meet external liabilities in a timely manner.

Analytical Approach

CRISIL has applied its parent notch-up criteria to factor in the extent of support expected from Tata Sons. The ratings are centrally based on parent support.

Preference shares issued to Tata Sons by TTSL have been considered as quasi equity as these carry low dividend and are compulsorily convertible to equity.

Key Rating Drivers & Detailed Description

Strengths

* **Expectation of strong support from resourceful parent:** Tata Tele receives significant financial and management support from Tata Sons, which has invested sizeable funds in Tata Tele in the past and plans to infuse an additional Rs 20,000 crore (Rs 2300 crore already invested). Tata Sons, along with its affiliates, holds more than 95% (on a fully diluted basis) stake in Tata Tele. Furthermore, association with the Tata group enables Tata Tele to leverage parent brand to market products and services.

Weakness

* **Low profitability and reducing market share amid intense competition:** Business risk profile remains weak. Though the enterprise, and fixed line and broadband businesses have shown resilience, operating performance of the mobility segment has been weakened by falling market share (in terms of revenue) and reducing profitability.

* **Weak capital structure and debt protection metrics:** Despite fund infusion, capital structure will remain subdued as operating profit is insufficient to cover interest obligation. This will also lead to average debt protection metrics.

Outlook: Stable

The rating is centrally based on support from Tata Sons. CRISIL believes parent will continue to support Tata Tele in a timely manner.

Upside scenario

* More-than-expected support from Tata Sons

Downside scenario

- * Any deterioration in the credit risk profile of Tata Sons
- * Change in stance of support by Tata Sons

About Tata Tele

Tata Tele provides global system for mobile communication (GSM) services in 18 circles, code division multiple access (CDMA) services in 19 circles, and third-generation services in 9 circles. As on June 30, 2017, it had a wireless subscriber base of 4.37 crore and fixed-line subscriber base of 0.18 crore.

In the three months ended June 30, 2017, TTML's standalone net loss was Rs 481 crore on net sales of Rs 554 crore, against Rs 108 crore and Rs 745 crore, respectively, in the corresponding period of the previous fiscal.

Key Financial Indicators (TTML-Standalone)

Particulars	Unit	2017	2016
Revenue	Rs crore	2761	2999
Profit After Tax	Rs crore	-2357	-358
PAT Margins	%	-85.3	-11.9
Adjusted Debt/Adjusted Net worth	Times	-1.07	-0.94
Interest coverage	Times	0.56	1.19

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Rating assigned with outlook
NA	Cash Credit/ Overdraft facility*	NA	NA	NA	275.00	CRISIL AA-/Stable
NA	Letter of credit & Bank Guarantee**	NA	NA	NA	2,739.28	CRISIL A1+
NA	Short Term Loan	NA	NA	NA	500.00	CRISIL A1+
NA	Long Term Loan-1	NA	NA	Mar-2018	100.00	CRISIL AA-/Stable
NA	Long Term Loan-2	NA	NA	Jan-2019	208.6	CRISIL AA-/Stable
NA	Proposed Term Loan	NA	NA	NA	1,343.12	CRISIL AA-/Stable

*Interchangeable between fund-based and non-fund-based limits to the extent of Rs.150 crore

**Includes buyer's credit limit of USD2.5 crore (around Rs. 161.6 Crore)

Annexure - Rating History for last 3 Years

Instrument	Current			2017 (History)		2016		2015		2014		Start of 2014
	Type	Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund-based Bank Facilities	LT/ST	2426.72	CRISIL AA-/Stable/CRISIL A1+	17-10-17	CRISIL A/Watch Developing/CRISIL A1/Watch Developing	14-11-16	CRISIL A-/Negative	08-04-15	CRISIL A/Negative/CRISIL A1		No Rating Change	CRISIL A/Stable/CRISIL A1
				07-07-17	CRISIL A/Stable/CRISIL A1							
Non Fund-based Bank Facilities	LT/ST	2739.28	CRISIL A1+	17-10-17	CRISIL A1/Watch Developing	14-11-16	CRISIL A2+		No Rating Change		No Rating Change	CRISIL A1
				07-07-17	CRISIL A1							

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit/ Overdraft facility*	275	CRISIL AA-/Stable	Cash Credit/ Overdraft facility*	275	CRISIL A/Watch Developing
Letter of credit & Bank Guarantee**	2739.28	CRISIL A1+	Letter of credit & Bank Guarantee**	2739.28	CRISIL A1/Watch Developing
Long Term Loan	308.6	CRISIL AA-/Stable	Long Term Loan	308.6	CRISIL A/Watch Developing
Proposed Term Loan	1343.12	CRISIL AA-/Stable	Proposed Term Loan	1343.12	CRISIL A/Watch Developing

Short Term Loan	500	CRISIL A1+	Short Term Loan	500	CRISIL A1/Watch Developing
Total	5166	--	Total	5166	--

*Interchangeable between fund-based and non-fund-based limits to the extent of Rs.150 crore

**Includes buyer's credit limit of USD2.5 crore (around Rs. 161.6 Crore)

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating criteria for manufacturing and service sector companies](#)

[Rating Criteria for Mobile Telephony Services](#)

[CRISILs Criteria for Consolidation](#)

[CRISILs Criteria for rating short term debt](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Group Support](#)

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