Tata Teleservices (Maharashtra) Limited

EGM

May 28, 2004

Major Landmarks at TTML

- Launched TDMA WLL services — October 1998.
- Public Issue — September 2000.
- Take over by TATAs — December 2002.
- CDMA limited mobility service launched — July 2003.
- Migration to Unified Access Service Licence — November 2003.
- Cumulative subscriber numbers doubled from 232,100 to 485,000 in financial year 2003-2004.
- Roaming enabled across Maharashtra and 5 circles of TATA Teleservices Limited (TTSL), to be extended across the country by Dec 04 on the TTSL network.
- Implementing plan to expand CDMA network in existing cities and to have presence in 150 towns during this year.

Project Cost & Financing

Rupees in Crores	ICICI appraised Original Plan	As on March 31, 2004	Current plan subject to lenders approval
Project Cost	**3,381**	**3,000**	**4,700**
Project Cost Year (Peak Funding)	**2005**		**2006**
No. of subscribers in Project cost Year	**650 K**	**485 K**	**2300 K**
No of Towns	**10**	**10**	**230**
Sources of funding			
Equity	1,553	1,553	2,443
Rupee Debt	1,349	986	2,076
Others	479	461	181
Total	**3,381**	**3,000**	**4,700**

Incremental fund requirement approx. Rs 1,700 cr.

TTML FCCB Issue – US$ 125-150 Mn

- **Subject to your approval TTML has planned to raise US $ 125 Mn in the overseas FCCB market, with a green shoe option of Incremental US $ 25 Mn. This is the largest Telecom offering from Indian Market.**

- **The bonds carry Interest at 1% p.a., payable semi-annually, and are convertible into equity shares at the bond holder's option at Rs.24.96 per share.**

- **The bonds ,if not converted, are for a tenure of 5 years and are redeemable @19.38% premium. Thus, in case of non conversion, the yield to maturity is 4.5% p.a.**

- **The company has an option to redeem the FCCB's after three years, if the company's shares trade at a 30% premium (Rs. 32.45) over the conversion price.**

- **Loans from banks and institutions are available to our company at around 10% p.a. The FCCB issue would lead to saving of over Rs 100 Crore in Interest cost over a period of 5 Years.**

TTML FCCB Issue – US$ 125-150 Mn

- In case conversion is on an issue of US$ 150 million, existing shareholders, incl the Tata Group, would get diluted by 16% of their present shareholding.

- The Tata Group's shareholding would get reduced from 70.8% to 59.5%

- The FCCBs will be listed on the Singapore Stock Exchange.

- This is a significant achievement for TTML and will help in reducing finance costs considerably.

Approval Sought

We therefore seek your approval to:

- **Issue FCCB's up to US $ 150 Million.**

- **Increase the authorised Capital from Rs. 1,600 crores to Rs 2,500 crores to allow for possible conversion of FCCB and for raising further equity to meet the expansion requirements.**

- **Consequential amendments to the Memorandum & Articles of Association of the company.**

THANK YOU