

LETTER OF OFFER



TATA TELESERVICES LIMITED

[A Public Limited Company incorporated on March 23, 1995]

CIN: U74899DL1995PLC066685

Regd. Office: Jeevan Bharati Tower I, 10th Floor, 124, Connaught Circus, New Delhi – 110001, India.

Corporate Office: A & E Blocks, Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai – 400033, India. Tel: +91-22-66671414, Fax: +91-22-66106175.

Contact Person: Pravin Jogani, Assistant Company Secretary E-Mail: pravin.jogani@tatatel.co.in

For private circulation to the Equity Shareholders of the Company only

LETTER OF OFFER

ISSUE OF 20,00,00,026 (TWENTY CRORES AND TWENTY SIX) 0.1% UNSECURED OPTIONAL CONVERTEABLE DEBENTURES ('OCD') – SERIES III – TRANCHE – 1 OF A FACE VALUE OF RS. 100/- EACH AT PAR FOR AN AMOUNT AGGREGATING RS. 2000,00,02,600/- (RUPEES TWO THOUSAND CRORES, TWO THOUSAND AND SIX HUNDRED ONLY) TO THE EXISTING EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 34,63,184 (THIRTY FOUR LAKHS, SIXTY THREE THOUSAND, ONE HUNDRED AND EIGHTY FOUR) OCD FOR EVERY 10,00,00,000 (TEN CRORES) EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS AS ON JUNE 7, 2019 (THE ISSUE). FOR MORE DETAILS ON THE TERMS OF THE ISSUE, SEE "DETAILS OF THE RIGHTS ISSUE & TERMS AND CONDITIONS" OF THIS LETTER OF OFFER.

ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON
TUESDAY, JUNE 18, 2019	WEDNESDAY, JULY 3, 2019

BRIEF HISTORY OF THE COMPANY AND BUSINESS OF THE COMPANY

A brief summary of the business/activities of the issuer and its line of business

i) Overview

Incorporated in 1995, Tata Teleservices Limited ('TTS'L' or 'Company') has been providing telecom services in both wireless and wireline business segments.

TTS'L' first launched basic telephony services in 1999 using CDMA technology in Andhra Pradesh (AP) circle and later offered limited mobility in the same circle with changes in the telecom regulations in 2001.

The Company acquired 50.83% of the paid-up equity share capital of Hughes Tele.com (India) Limited ('HTIL') which provided basic services in Mumbai and Maharashtra & Goa circles. Tata Sons Ltd. and other Tata companies (including TTS'L') later acquired further 20% of HTIL's equity from the public through an open offer (in accordance with SEBI Guidelines) and renamed HTIL as Tata Teleservices (Maharashtra) Limited ('TTML') in February, 2003.

In November 2003 TTS'L' migrated from Basic Service License to Unified Access Service Licence (UASL) in its existing circles. In 2004, TTS'L' acquired UASL in 12 additional circles and rolled out CDMA based mobile telephony services in these circles in a phased manner during 2004 and 2005. TTS'L' became pan-India telecom operator in January 2005. In July 2007, TTS'L' obtained National Long Distance ('NLD') license and launched services in November 2007. The Company also received in 2008 the permission from Department of Telecommunications ('DoT') for providing GSM services and subsequently TTS'L' was allotted GSM spectrum. Since June 2009, TTS'L' has been providing CDMA based telephony services in 17 circles (till January 2019) and GSM based mobile telephony services in 16 circles. Similarly, TTML provides the aforementioned services in additional 2 circles of Mumbai and Maharashtra & Goa. The Company has launched services under GSM technology at all circles where it has been allocated spectrum.

In March 2009, NTT DOCOMO, INC. ('Docomo') of Japan acquired 26% shareholding in TTS'L'. TTS'L' & TTML (collectively to be referred as 'TTL') operate under their flagship brand – Tata DOCOMO.

TTL became the first Indian private telecom operator to launch 3G services in India during November 2010 under the brand name Tata DOCOMO, with its launch in all the 9 telecom circles where it bagged the 3G spectrum.

Pursuant to the order of the Delhi High Court dated April 28, 2017 in an enforcement petition i.e. O.M.P. (EFA)(COMM.) 7/2016 (*NTT DOCOMO Inc. v. Tata Sons Limited*) filed by Docomo enforcing the LCIA Award dated June 22, 2016, Docomo has tendered its entire shareholding in TTS'L', representing 21.63% (twenty one point sixty three percent) of the equity share capital of TTS'L', to Tata Sons Limited and its designated nominees on October 31, 2017. Accordingly, Docomo has ceased to hold any shares in TTS'L' and consequently the Shareholders Agreement dated March 25, 2009 entered between TTS'L', DOCOMO and Tata Sons Limited (including all rights of Docomo in relation to TTS'L') automatically stands terminated.

TTS'L' Board subject to the approval of the shareholders, Competition Commission of India, National Company Law Tribunal, Department of Telecommunications and other authorities has approved on December 19, 2017 a Scheme of Arrangement for demerger of its Consumer Mobile Business into Bharati Airtel Limited and its subsidiary Bharti Hexacom Limited. All the parties are currently in the process of obtaining various approvals.

ATC Telecom Infrastructure Pvt. Limited (formerly, Viom Networks Limited), an Associate Company, deploys, owns and manages passive infrastructure pertaining to telecom operations.

In November 2017, TTS'L' acquired for a consideration of one GBP, 50% stake of Virgin in joint venture company Virgin Mobile India Private Limited which has now become wholly owned subsidiary of TTS'L' and has been renamed TTL Mobile Private Limited.

Pursuant to Section 47(2) of the Companies Act, 2013, TTSL is entitled for additional voting rights of 26.26% in respect of the 20,18,00,000 Non-Cumulative Redeemable Preference Shares ("RPS") of Rs. 100/- each held in Tata Teleservices (Maharashtra) Limited ("TTML"). Accordingly, TTSL has 74.76% voting rights in TTML and therefore, TTML has become a subsidiary company of TTSL.

ii) Board of Directors:

Sr. No.	Name of Director	Designation
1	Mr. Saurabh Agrawal	Director
2	Dr. Narendra Damodar Jadhav	Director
3	Ms. Bharati Rao	Director
4	Ms. Vibha Paul Rishi	Director
5	Mr. Ankur Verma	Director
6	Mr. Srinath Narasimhan	Managing Director

iii) Corporate Structure

1. Holding Company:

- Tata Sons Private Limited

2. Subsidiary Companies:

- MMP Mobi Wallet Payment Systems Limited
- NVS Technologies Limited
- TTL Mobile Private Limited (formerly known as Virgin Mobile India Private Limited)
- Tata Teleservices (Maharashtra) Limited ('TTML')

3. Associate Company

- ATC Telecom Infrastructure Pvt. Limited (formerly Viom Networks Limited)

Key Operational and Financial Parameters for the year ended March 31, 2019, year ended March 31, 2018 and year ended March 31, 2017 (figures as per Ind AS)

(Rs. in Crores)

Sr. No.	Parameters	Year ended 31-Mar-19 Audited	Year ended 31-Mar-18 Audited	Year ended 31-Mar-17 Audited
1	Equity Share Capital	5,775.03	5,775.03	5,775.03
2	Instruments entirely equity in nature	15,920.00	-	-
3	Other equity	(35,002.32)	(30,798.26)	(17,427.75)
4	Non current liabilities	15,911.61	21,875.84	24,925.45
5	Current liabilities	15,614.33	20,308.74	12,423.37
6	Property plant & equipment	1,744.23	2,460.84	5,596.33
7	Intangible assets	127.59	155.16	7,894.55
8	Other Non current assets	2,716.73	9,246.49	8,291.26
9	Current assets	13,630.10	5,298.86	3,913.96
10	Net sales (net of excise) (including Other income)	2,988.61	5,324.56	9,666.60
11	Expenses	3,125.02	6,225.43	8,325.17
12	EBITDA	(136.41)	(900.87)	1,341.43
13	Profit/(loss) before tax and exceptional item	(3,673.10)	(4,870.53)	(2,839.46)
14	Profit/(loss) after tax and exceptional item	(5,229.54)	(17,629.79)	(4,617.04)
15	Total comprehensive profit/ (loss)	(5,236.31)	(17,664.38)	(4,589.91)

DETAILS OF THE RIGHTS ISSUE & TERMS AND CONDITIONS

Offer of 20,00,00,026 (Twenty Crores and Twenty Six) 0.1% Unsecured Optionally Convertible Deventures ('OCD') – Series III – Tranche 1 of face value of Rs. 100/- each for cash at par on Rights basis for an aggregate amount of Rs. 2000,00,02,600/- (Rupees Two Thousand Crores, Two Thousand and Six Hundred Only) to the Existing Equity Shareholders on Rights Basis in the Ratio of 34,63,184 (Thirty Four Lakhs, Sixty Three Thousand, One Hundred and Eighty Four) OCD for every 10,00,00,000 (Ten Crores) Equity Shares held.

Offer Opens on	Tuesday, June 18, 2019
Offer Closes on	Wednesday, July 3, 2019

1. AUTHORITY FOR PRESENT ISSUE

Pursuant to Sections 62 and 71 of the Companies Act, 2013 (the 'Act') and the Rules made thereunder, and its statutory modifications, and Articles of Association of the Company (the Articles), the present offer of OCD on Rights basis has been authorized by the Board of Directors and Shareholders of the Company by resolution passed at their meeting held on February 6, 2018 and March 13, 2018 respectively.

The Shareholders at the Extra Ordinary General Meeting held on November 28, 2018 have modified the terms of Conversion to provide support and flexibility for settlement of OCD's. The conversion terms are mentioned in the Sr. No. 11 below.

2. OBJECT OF THE OFFER

The object of the offer is to:

- a) To prepay/repay the existing debt/loans including deferred payment liability to Department of Telecommunications (DoT) for spectrum and for general corporate purposes of the Company; and
- b) To invest in Tata Teleservices (Maharashtra) Limited (TTML) to enable it to prepay/repay its debt/loans including deferred payment liability of DoT for spectrum and for general corporate purposes of TTML.

3. OFFER SIZE (NUMBER OF OCD TO BE ISSUED, FACE VALUE AND ISSUE PRICE)

Offer of 20,00,00,026 (Twenty Crores and Twenty Six) 0.1% Unsecured Optionally Convertible Deventures ('OCD') – Series III – Tranche 1 of face value of Rs. 100/- each for cash at par on Rights basis for an aggregate amount of Rs. 2000,00,02,600/- (Rupees Two Thousand Crores, Two Thousand and Six Hundred Only) to the existing equity shareholders on rights basis in the ratio of 34,63,184 (Thirty Four Lakhs, Sixty Three Thousand, One Hundred and Eighty Four) OCD for every 10,00,00,000 (Ten Crores) Equity Shares to the existing Equity Shareholders of the Company as on June 7, 2019.

The issue price of Rs 100/- per OCD has been fixed being the face value of OCD offered to all shareholders on Rights basis in proportion to their entitlement.

4. RIGHTS ENTITLEMENT

You are entitled to 34,63,184 (Thirty Four Lakhs, Sixty Three Thousand, One Hundred and Eighty Four) OCD for every 10,00,00,000 (Ten Crores) Equity Shares held as on June 7, 2019.

5. AMOUNT PAYABLE ON APPLICATION

The entire amount is payable on application i.e., Rs. 100/- per OCD towards the nominal value.

6. INTEREST RATE

The OCD would be entitled to interest at the rate of 0.1% per annum.

7. OFFER TO NON-RESIDENT EQUITY SHAREHOLDERS/APPLICANTS

The issue of OCD to Non-Resident Equity Shareholder(s) would require prior approval of Reserve Bank of India ("RBI") as it is treated as External Commercial Borrowing (ECB). **If the Offer is proposed to be subscribed to by any Non-Resident Equity Shareholder the Assistant Company Secretary may be contacted so that the Company will apply to RBI for such approval.** The allotment of OCD to Non-Resident Equity Shareholder(s) will be subject to RBI approval.

Applications received from the Non-Resident Equity Shareholders for the allotment of OCD pursuant to this Offer shall, *inter-alia*, be subject to the conditions as may be imposed from time to time by the RBI, in the matter of refund of application moneys, allotment of OCD and its subsequent conversion into Equity Shares, issue of letters of allotment/certificates/payment of interest, etc.

8. RENUNCIATION

You may renounce all or any of the OCD you are entitled to in favour of any individual, limited company or statutory corporation/financial institution. However, this right of renunciation is subject to the express condition that the Board of Directors, including the Share/Warrant/ Debenture Allotment and Transfer Committee ("Allotment Committee"), delegated for the purpose, of the Company shall be entitled in its absolute discretion to accept or reject the request for allotment from the renouncee(s) without assigning any reason thereof.

In case of any renunciation from Resident Indian Shareholder(s) to Non-Resident Indian(s) or from Non-Resident Indian Shareholder(s) to other Non-Resident Indian(s) or from Non-Resident Indian Shareholder(s) to Resident Indian(s) the renouncing shareholder/s are requested to contact the Assistant Company Secretary as such renunciation is subject to the renouncer(s) / renouncee(s) obtaining appropriate approval, as may be required, of the FIPB and / or necessary permission of the RBI under the Foreign Exchange Management Act, 1999 (FEMA) and other applicable laws and such permissions, if any, should be attached to the Application Form. Applications not accompanied by the aforesaid approval are liable to be rejected. The onus of obtaining any such regulatory approvals wherever required shall be on the Resident Shareholder. As mentioned in Sr. No. 7 above, the Company needs to obtain approval of RBI as ECB before any allotment to Non Resident/s.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of the Company who do not wish to subscribe to the OCD being offered but wish to renounce (whether for consideration or otherwise) in favour of OCB(s), the same shall be subject to conditions contained in the Master Circulars including No. 15/2015-16 dated July 1, 2015.

9. UNSUBSCRIBED PORTION

All unsubscribed portion, if any, out of the present Right Offer of OCD shall be disposed off by Allotment Committee in such manner that it may in its absolute discretion, in the best interest of the Company, consider appropriate and the decision of the Allotment Committee in this regard shall be final and binding.;

10. APPLICATION FOR ADDITIONAL OCD

The Shareholders who accept all the OCD offered and who do not renounce in whole or in part, shall have an option to apply for additional OCD. The allotment of any such additional OCD shall be at the sole discretion of the Board/Allotment Committee. Further, the allotment of such additional OCD shall be only to the extent of unsubscribed portion, if any, of the Right Issue size of Rs. 2000,00,02,600/-.

11. CONVERSION TERMS OF THE OCD

- A. Each OCD shall be optionally converted into such number of equity shares of Rs. 10/- each at Rs. 10/- per equity share (being the Face Value of the equity shares) in case of residents.
- B. In case of non-residents OCD holder, conversion would be into such number of equity shares of Rs. 10/- each at the higher of:
 - (a) Fair Market Value determined as on the date of the conversion; or
 - (b) Rs. 10/- per equity share (being the Face Value of the equity shares).
- C. Such conversion shall be at the option of the investor at any time after 1 day from the date of allotment of OCD but not later than 36 months from the date of allotment. OCD be redeemed at par, if the holder does not exercise the conversion option.

AND/OR

the Board may with the consent of atleast 75% (in value) of the holder(s) in each tranche of the series (i.e. the OCDs Series II and III) decide to convert at face value into CCPS or OCPS or Inter Corporate Deposits ("ICD") (on such terms and conditions as may be determined by the Board, subject to availability of limits under Section 180(1)(c) with the Board), at any time after one day from the date of allotment of OCD, AND THAT in case OCD holder(s) is non-resident, the conversion in equity shares or CCPS or OCPS, conversion price shall be subject to the prevailing FDI and/or FEMA regulations/guidelines and such other applicable laws and that the onus of obtaining any such regulatory approvals wherever required shall be on such Non-Resident Shareholder.

Further the Shareholders of the Company at its meeting held on February 11, 2019 has authorized the Board of Directors of the Company (which expression shall include any committee of Board) to extend the term upto a period of 120 months as the Board may deem fit and proper and in the best interests of the Company with the consent of atleast 75% (in value) of the CCPS holders, OCPS holders, OCD holders in each tranche of the respective series.

12. DETERMINATION OF THE FAIR MARKET VALUE

The Fair Market Value ('FMV') for the purpose of conversion of the OCD into Equity Shares shall be determined by an independent Chartered Accountant or a SEBI registered Merchant Banker, as per the internationally accepted pricing method. The FMV determined as above shall be valid for the period of 6 months from the date of determination for all conversions sought during the said period of 6 months.

Appointment of such independent Chartered Accountant or a SEBI registered Merchant Banker shall be approved by the Managing Director of the Company.

13. SCHEDULE OF ALLOTMENT/REFUND

The Company shall issue and dispatch letters of allotment / OCD certificates / give demat credit for the allotted OCD to the respective beneficiary accounts and/or letters of regret along with the refund order / cheque, if any, within a period of eight (8) weeks from the date of closure of Issue. If such money is not repaid within fifteen days from the day the Company becomes liable to pay it, the Company shall pay that money with interest at the rate of 12% p.a. On payment of

the application amount and after allotment of OCD, the Company would arrange to credit the Demat accounts of the Shareholders and in case of those shareholders who do not have Demat account, the Company would arrange to issue the OCD certificates to the allottee/s within two months from the date of allotment.

Upon Conversion of OCD into Equity Shares or CCPS or OCPS the credit into the Demat accounts for the Equity Shares or CCPS or OCPS respectively shall be given within 60 days of the conversion.

As regards allotment/refund to Non-Residents, the following further conditions shall apply:

In case of Non-Residents, who remit their application monies from funds held in NRE/FCNR accounts, refunds and/or payment of dividend/interest and other disbursement, if any, shall be credited to such accounts, details of which should be furnished alongwith the application form.

Subject to the approval of the RBI, in case of Non-Residents, who remit their application monies through Indian Rupee draft purchased from abroad, refund and/or payment of dividend/interest and any other disbursement, shall be credited to such accounts (details of which should be furnished alongwith the Application form) and will be made net of bank charges/commission in US Dollars, at the rate of exchange prevailing at such time. The Company will not be responsible for any loss on account of exchange fluctuations for converting the Indian Rupee amount into US Dollars.

14. TERMS OF OFFER AND RANKING OF OCD AND EQUITY SHARES ON CONVERSION

The Equity Shares to be allotted on conversion of the OCD shall rank *pari passu* in all respects to the then existing Equity Shares of the Company, and shall be subject to the Memorandum and Articles of Association of the Company.

15. VARIATION IN THE TERMS OF THE OCD

Any variation in the terms of the OCD after allotment thereof shall be made in accordance with applicable provisions of the Companies Act, 2013 and Rules framed thereunder.

16. TRANSFERABILITY OF OCD

The OCD shall be transferable, subject to the provisions of Articles of Association of the Company and applicable regulations, including FDI and FEMA regulations/guidelines, as amended from time to time.

17. FRACTIONAL SHARES

Fractional shares, if any, arising on conversion of OCD shall be rounded off to the next higher digit if equal to or greater than 0.5 share. Any fraction below 0.5 share shall be ignored.

18. HOW TO APPLY

Application form along with the cheques / demand drafts drawn in favour of "Tata Teleservices Limited" and payable at Mumbai should be sent to the Assistant Company Secretary, Tata Teleservices Limited, Corporate Office at A & E Blocks, Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai – 400 033. The amount payable on application may also be credited to the Company's Bank Account No. 23105031148 with Standard Chartered Bank, 90, M.G Road, Fort Mumbai 400 001 (IFSC Code SCBL 0036001) or Company's Bank Account No. 11083981289 with State Bank of India, Corporate Accounts Group Branch, Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001 (SBIN0009995) by RTGS / wire transfer. However, the Application Form, followed by confirmation of the credit of amount payable on application shall be sent to the Company at the address mentioned above before closure of the Offer. The confirmation of the

credit of amount payable on application shall also be sent to the Company at the address mentioned above within two (2) business days following the date of the Application Form but before closure of the Offer.

19. DOCUMENTS REQUIRED ALONG WITH THE APPLICATION FORM

Resident Shareholders		Non Resident Shareholders	
Individuals	Corporates/Incorporated entities	Individuals	Corporates/Incorporated entities
Certified copy of the Income Tax PAN Card	Certified copy of Income Tax PAN Card	Copy of the passport	Certified copy of the constitutional documents (including the date of incorporation of the entity)
Notarized copy of the Power of Attorney (if applicable)	Certified Copy of the Board Resolution	Notarized copy of the Power of Attorney (if applicable)	Certified Copy of the Board Resolution
	Certified Copy of the Articles & Memorandum/Constitution documents	Copy of the RBI approval, if any, in case the Non resident applicant has applied pursuant to a renunciation by the Resident Shareholder	

20. CLOSURE DATE

The last date for receipt of Application Forms together with the amount payable is Wednesday, July 3, 2019. If the Application Form together with the amount payable is not received by the Company on or before July 3, 2019 or such extended date as may be determined by the Managing Director, the offer contained in this letter shall be deemed to have been declined.

Attention of applicants is drawn to the provisions of sub-section (1) of Section 38 of the Act, which is reproduced below:-

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

Otherwise induces directly or indirectly a company to allot or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447 of the Companies Act, 2013”.

Thanking you,

Yours faithfully,
For and on behalf of the Board of
TATA TELESERVICES LIMITED



Pravin Jogani
Assistant Company Secretary

Date: June 13, 2019

Place: Mumbai