



HQ/CS/CL.24B/16951  
April 15, 2020

Dear Sir / Madam,

**Sub: Issue of Rated, Secured, Listed, Redeemable Non-Convertible Debentures (“NCDs”) for ₹500 Crores (Rupees Five Hundred Crores only) + Green Shoe Option of ₹150 Crores (Rupees One Hundred and Fifty Crores)**

**Re: Tata Communications Limited – Outcome of Board Meeting**

This has reference to our letter No. HQ/CS/CL.24B dated April 12, 2020. The Board of Directors at its Meeting held today (15 April 2020) has approved fund raising by way of private placement of Rated, Secured, Listed, Redeemable Non-Convertible Debentures (“NCDs”) for ₹500 Crores (Rupees Five Hundred Crores only) + Green Shoe Option of ₹150 Crores (Rupees One Hundred and Fifty Crores). The Board has approved the issue on following key terms and conditions:

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| <b>Instrument</b>                   | Rated, Secured, Listed, Redeemable Non-Convertible Debentures (“NCDs”)   |
| <b>Sole Arranger</b>                | Axis Bank Ltd  |
| <b>Debenture Trustee</b>            | IDBI Trusteeship Services Limited<br>SEBI approved Debenture Trustee   |
| <b>Investor Legal Counsel</b>       | Trilegal   |
| <b>Issue Size</b>                   | ₹500 Crores (Rupees Five Hundred Crores only) + Green Shoe option (₹150 Crore)   |
| <b>Tenor</b>                        | 3 years from the Deemed Date of Allotment  |
| <b>Redemption</b>                   | Bullet redemption at the end of the Tenor (36 months)  |
| <b>End Use of Issue Proceeds</b>    | Proceeds of the Issue will be used for:<br>1. Refinancing of existing debt, and/or<br>2. General corporate purpose, and/or<br>3. Working Capital, and/or<br>4. Capital Expenditure incurred in the last 12 months<br><br>(Provided that the Issue proceeds shall not be used for any purpose as not permissible by RBI for bank financing) |
| <b>Coupon &amp; Arrangement Fee</b> | Coupon - 7.48% per annum<br>Arrangement Fee- 0.25% flat on the issue size subscribed   |
| <b>Coupon Payment Frequency</b>     | Annual   |
| <b>Face value</b>                   | ₹10,00,000 (Rupees Ten Lakh only) per Debenture to be issued at par  |
| <b>Mode of Placement</b>            | Private placement to eligible investors.   |

**TATA COMMUNICATIONS**

Tata Communications Limited

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|----------------------------|---|
| <b>Listing</b>             | Proposed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange of India Limited within 15 days of deemed date of allotment.   |
| <b>Security</b>            | <p>Throughout the tenor of the Debentures, the obligations of the Issuer under the Debenture Documents including all interest and other monies in respect thereof shall be secured by the following <i>pari passu</i> charge in favour of the Debenture Trustee:</p> <ol style="list-style-type: none"> <li>1. First ranking floating pari-passu charge by way of hypothecation and/or mortgage on the Moveable fixed assets of the Company, excluding all Excluded Assets, but for avoidance of doubt excluding all current assets, immovable property, computers, motor vehicles, furniture and fixtures, Office Equipment and Intangible assets, to provide security cover of 1.00 time of the Outstanding Obligations under the NCDs during the currency of the Facility.</li> </ol> <p>“Excluded Assets” shall mean all assets acquired on or before 14<sup>th</sup> February, 2002.</p> <p><b><u>Timeline for creation of Security</u></b></p> <p>Security shall be created and perfected within 60 days from the Deemed Date of Allotment, or any other date as may be mutually agreed by the Issuer and the Subscriber. If security is not created and perfected within the said timeline, the Issuer will pay penal interest of 2% p.a. payable monthly from the expiry of such timeline till the security is created and perfected.</p> |
| <b>Financial Covenants</b> | <p>Throughout the tenor of the NCDs the following financial covenants to be tested on a consolidated audited financial statement of the Borrower</p> <ol style="list-style-type: none"> <li>1) Total Net Fixed Assets / Net Debt <math>\geq</math> 1.00x</li> <li>2) EBITDA / Net Interest Expense <math>\geq</math> 3.50x</li> <li>3) For any Relevant Period where the ratio of Net Debt to EBITDA is greater than 3.00:1, Net Debt shall not, at any time during that Relevant Period, exceed USD 2.5 billion</li> </ol> <p><b>Total Net Fixed Assets</b> means:</p> <ol style="list-style-type: none"> <li>(a) the aggregate book value of all fixed assets less depreciation;</li> <li>(b) the aggregate book value of all capital work in progress;</li> <li>(c) investments (but excluding the book value of the TTSL investment); (Provided that current investments counted as Cash equivalents towards calculation of Net Debt shall not be included)</li> </ol>  |



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|                             | <p><b>EBITDA</b> would be calculated as Profit before Tax after adding back interest expense, depreciation and amortization, and would exclude any extraordinary and exceptional loss or gains (other than interest on income tax refunds)</p> <p><b>Net Interest Expense</b> means interest expense less all income received by the Relevant Group in respect of any cash and/or cash equivalents and investments made in mutual funds, bank deposits and any other available means of surplus funds investment of the Relevant Group.</p> <p><b>Net Debt</b> would exclude cash and cash equivalents, carve out for working capital limits of USD 150 million, carve out for non-recourse / limited recourse project finance facilities and not including leases,.</p> <p><b>Relevant Period</b> is defined as the financial year of the Borrower</p> <p>The above financial covenants to be tested on Annual basis based on the Consolidated Audited financials of the Issuer. A certificate signed by Authorised Signatories of the Issuer on the covenants along with the Audited Financials has to be provided within 180 days from the end of the financial year.</p> |
| <p><b>Rating Action</b></p> | <p>The Coupon will be reset if the rating of the Issuer is downgraded during the tenure of the instrument. The Coupon rate shall be increased by 0.50% per annum for rating downgrade from “AA+” to “AA-“ (Two Notches) by any rating agency and an additional 0.25% p.a. for every subsequent downgrade.</p> <p>If subsequent to a rating downgrade, the credit rating of the NCDs have been upgraded, Coupon rate will be re-instated to the level as applicable for that credit rating. It is to further clarify that the applicable Coupon rate on the NCDs shall not fall below the Coupon rate applicable on Deemed Date of Allotment.</p> <p>In the event of Credit Rating downgrade to below “AA-” by any rating agency, the Debenture Holders can exercise Put Option on the entire outstanding NCDs and the Issuer can exercise a Call Option on the entire outstanding NCDs at par.</p> <p>Incase, Debenture Holders do not opt for Put Option, it can opt to increase the coupon by 0.25% per annum for downgrade from “AA-“ to “A+” and every notch below “A+” thereafter.</p>  |



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|  | In case of multiple rating agencies for the Issuer, lowest rating available shall be considered for the above purpose. |
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The meeting commenced at 10:30 a.m. (IST) and concluded at 11:45 a.m. (IST).

Request you to kindly take on record the aforesaid information.

Thanking you,

Yours faithfully,  
For Tata Communications Limited

DocuSigned by:  
*Manish Sansi*  
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Manish Sansi  
Company Secretary &  
General Counsel (India)

To:

- 1) Security Code 500483, BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
- 2) Security Code TATACOMM, National Stock Exchange of India Limited. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051