



HQ/CS/CL.24B/16883  
November 8, 2019

Sir,

**Sub: Unaudited Financial Results of Tata Communications Limited (“the Company”) for the quarter and half year ended on September 30, 2019.**

Pursuant to Regulation 33 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) the following documents and information are submitted:

- i. Unaudited Financial Results (prepared in accordance with Regulation 33 of SEBI Listing Regulations) for the quarter and half year ended on September 30, 2019 which have been approved by the Board of Directors at the meeting held on November 8, 2019 is attached as **Attachment-A**.
- ii. Limited Review Report of the auditors on the unaudited financial results for the quarter and half ended on September 30, 2019 is attached as **Attachment-B**.
- iii. The press release in this regard is attached as **Attachment-C**.

The aforesaid documents are also placed on the website of the Company at [www.tatacommunications.com/investors/results](http://www.tatacommunications.com/investors/results).

Thanking you,

Yours faithfully,  
For Tata Communications Limited

  
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

**TATA COMMUNICATIONS**

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# TATA COMMUNICATIONS LIMITED

REGD. OFFICE: VSB, M.G. ROAD, FORT, MUMBAI-400001.

(₹ in Lakhs)

## A. STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

	Particulars	For the quarter ended			For the half year ended		For the year ended
		September 30 2019	June 30 2019	September 30 2018	September 30 2019	September 30 2018	March 31 2019
	(Refer notes below)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
1	Income from operations	146964	137308	129510	284272	255267	538913
2	Other income, net	4365	7670	1563	12035	3047	9223
3	<b>Total Income (1+2)</b>	<b>151329</b>	<b>144978</b>	<b>131073</b>	<b>296307</b>	<b>258314</b>	<b>548136</b>
4	<b>Expenses</b>						
	a. Network and transmission expense	50888	42588	50766	93476	96669	218366
	b. Employee benefits expense	25039	24609	23607	49648	44289	92125
	c. Finance costs	1131	1204	886	2335	1919	3612
	d. Depreciation and amortisation expense	22891	22866	21228	45757	42606	89088
	e. Other expenses	33719	29929	29125	63648	56366	105825
	<b>f. Total expenses (4a to 4e)</b>	<b>133668</b>	<b>121196</b>	<b>125612</b>	<b>254864</b>	<b>241849</b>	<b>509016</b>
5	<b>Profit from ordinary activities before exceptional items and tax (3 - 4)</b>	<b>17661</b>	<b>23782</b>	<b>5461</b>	<b>41443</b>	<b>16465</b>	<b>39120</b>
6	Exceptional items (Refer note 2)	(592)	-	(372)	(592)	(372)	(66697)
7	<b>Profit / (Loss) from ordinary activities before tax (5 + 6)</b>	<b>17069</b>	<b>23782</b>	<b>5089</b>	<b>40851</b>	<b>16093</b>	<b>(27577)</b>
8	<b>Tax expense / (benefit): (refer note 4)</b>						
	a. Current tax	4560	9192	3097	13752	8324	22383
	b. Deferred tax	4994	(2108)	(1274)	2886	(2574)	(5728)
9	<b>Profit / (Loss) for the period (7 - 8)</b>	<b>7515</b>	<b>16698</b>	<b>3266</b>	<b>24213</b>	<b>10343</b>	<b>(44232)</b>
10	Other Comprehensive Income / (Loss) (net of tax)	(876)	(1232)	(174)	(2108)	568	(886)
11	<b>Total Comprehensive Income / (Loss) (9 + 10)</b>	<b>6639</b>	<b>15466</b>	<b>3092</b>	<b>22105</b>	<b>10911</b>	<b>(45118)</b>
12	Paid up equity share capital (Face value of ₹ 10 per share)	28500	28500	28500	28500	28500	28500
13	Reserves excluding Revaluation reserve						770782
14	Earnings per share (of ₹ 10/- each) (not annualised)						
	Basic and diluted earnings per share (₹)	2.64	5.86	1.15	8.50	3.63	(15.52)



## B. Standalone Business Segment Information:

### i. Segment wise revenue and results:

(₹ in Lakhs)

Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30 2019	June 30 2019	September 30 2018	September 30 2019	September 30 2018	March 31 2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
<b>Income from Operations</b>						
Voice Solutions	6575	6393	9082	12968	16918	28997
Data and Managed Services	136574	127148	117196	263722	231695	495806
Real Estate	3815	3767	3232	7582	6654	14110
<b>Total</b>	<b>146964</b>	<b>137308</b>	<b>129510</b>	<b>284272</b>	<b>255267</b>	<b>538913</b>
<b>Segment result</b>						
Voice Solutions	(6338)	(6624)	(7567)	(12962)	(18397)	(36121)
Data and Managed Services	18341	21635	10727	39976	30240	62155
Real Estate	2424	2305	1624	4729	3494	7475
<b>Total</b>	<b>14427</b>	<b>17316</b>	<b>4784</b>	<b>31743</b>	<b>15337</b>	<b>33509</b>
Less :						
(i) Finance Costs	1131	1204	886	2335	1919	3612
(ii) Other un-allocable (income) net of un-allocable expenses	(3773)	(7670)	(1191)	(11443)	(2675)	57474
<b>Profit/ (Loss) before taxes</b>	<b>17069</b>	<b>23782</b>	<b>5089</b>	<b>40851</b>	<b>16093</b>	<b>(27577)</b>

### ii. Segment Assets and Liabilities:

(₹ in Lakhs)

Particulars	As on			
	September 30 2019	June 30 2019	September 30 2018	March 31 2019
<b>Segment Assets</b>				
Voice Solutions	14337	12920	14843	13375
Data and Managed Services	645174	601190	570214	589993
Real Estate	46176	44943	34928	44458
Unallocable Assets	591177	604296	681732	613570
<b>Total Assets</b>	<b>1296864</b>	<b>1263349</b>	<b>1301717</b>	<b>1261396</b>
<b>Segment Liabilities</b>				
Voice Solutions	15203	13478	13832	13444
Data and Managed Services	339511	292074	287721	315655
Real Estate	20064	17030	4186	12781
Unallocable Liabilities	95596	106563	120061	99628
<b>Total Liabilities</b>	<b>470374</b>	<b>429145</b>	<b>425800</b>	<b>441508</b>

### iii. Notes to Segments:

The Company's operating segments comprises of Voice Solutions, Data and Managed Services and Real Estate. The composition of the operating segments is as follows:



Voice Solutions include International and National Long Distance Voice services.

Data and Managed Services include corporate data transmission services, virtual private network, signaling and roaming services, television and other network and managed services.

Real Estate includes lease rentals for premises given on lease.

### C. Statement of Standalone Assets and Liabilities

(₹ in Lakhs)

Particulars	As at	
	September 30 2019	March 31 2019
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	372846	383425
(b) Capital work-in-progress	27717	19078
(c) Right of Use asset	59133	-
(d) Investment property	28993	26200
(e) Other Intangible assets	41742	45418
(f) Intangible assets under development	5655	1953
(g) Investment property under development	10458	4682
(h) Financial assets		
(i) Investments	342359	342359
(ii) Other financial assets	11585	10472
(i) Deferred tax assets (net)	21457	23563
(j) Advance tax (net)	135585	142078
(k) Other Non-current assets	9582	25086
<b>Total Non-current assets</b>	<b>1067112</b>	<b>1024314</b>
<b>Current assets</b>		
(a) Inventories	6078	6310
(b) Financial assets		
(i) Other Investments	30537	44944
(ii) Trade receivables	138288	129668
(iii) Cash and cash equivalents	10707	14624
(iv) Other bank balances	78	349
(v) Other financial assets	11329	10813
(c) Other Current assets	32458	30163
	<b>229475</b>	<b>236871</b>
Assets classified as held for sale	277	211
<b>Total Current assets</b>	<b>229752</b>	<b>237082</b>
<b>TOTAL ASSETS</b>	<b>1296864</b>	<b>1261396</b>

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C. Statement of Standalone Assets and Liabilities

(₹ in Lakhs)

Particulars	As at	As at
	September 30 2019	March 31 2019
	(Unaudited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	28500	28500
(b) Other equity	797990	791388
	<b>826490</b>	<b>819888</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities	2230	3279
(ii) Lease liabilities	42694	-
(b) Provisions	24046	20610
(c) Other liabilities	42822	45218
<b>Total Non-current liabilities</b>	<b>111792</b>	<b>69107</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	30002	30114
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	385	426
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	161478	179782
(iii) Other financial liabilities	58661	74647
(iv) Lease liabilities	2054	-
(b) Provisions	3921	4693
(c) Current tax liability (net)	31355	20123
(d) Other liabilities	70726	62616
<b>Total Current liabilities</b>	<b>358582</b>	<b>372401</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1296864</b>	<b>1261396</b>

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**D. Statement of Standalone Cash Flow Statement:**

(₹ in Lakhs)

Particulars	For the half year ended September 30, 2019 (Unaudited)	For the half year ended September 30, 2018 (Unaudited)	For the year ended March 31, 2019 (Audited)
<b>Cash flows from operating activities</b>			
Profit/(Loss) for the period	40851	16093	(27577)
Adjustments for non cash items:			
Depreciation and amortization	45757	42606	89088
Interest income	(180)	(302)	(442)
Finance cost	2335	1919	3612
Gain on investments at fair value through profit and loss (net)	(832)	(1071)	(2354)
Dividend income	(6869)	(591)	(591)
Unrealised foreign exchange gain/ (loss) (net)	631	2534	1187
Allowance for doubtful trade receivables	2569	1962	4559
Provision for inventories and capital work-in-progress	729	100	274
Allowance for doubtful advances	17	-	1146
Provision towards advances	592	-	-
Impairment of investment	-	-	66002
Gain/ (loss) on disposal of property, plant and equipment (net)	(149)	(27)	(215)
<b>Operating Profit before working capital changes</b>	<b>85451</b>	<b>63223</b>	<b>134689</b>
Adjustment for increase/(decrease) in working capital:			
Inventories	233	(1615)	(4191)
Trade receivables	(11189)	1152	(12068)
Other assets	(5752)	(16438)	(19027)
Trade payables	(18345)	19939	50361
Other liabilities	(6891)	3870	16704
Provisions	(921)	(2585)	835
<b>Cash generated from operations before tax</b>	<b>42586</b>	<b>67546</b>	<b>167303</b>
Income tax paid (net of refund)	4520	(21671)	(42516)
<b>Net cash flows from operating activities</b>	<b>47106</b>	<b>45875</b>	<b>124787</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(55223)	(48521)	(116471)
Proceeds from disposal of property, plant and equipment and intangible assets	277	105	483
Proceeds from disposal of assets held for sale	67	-	-
Purchase of non-current investments	-	(3501)	(3504)
Purchase of current investments	(352290)	(305763)	(619259)
Proceeds from sale of current investments	367529	299641	592870
Dividend income from subsidiaries	6869	591	591
Interest received	113	287	306
Earmarked funds	271	(75)	(28)
Fixed deposits transferred as part of Land demerger	(290)	-	-
<b>Net cash flows from investing activities</b>	<b>(32677)</b>	<b>(57236)</b>	<b>(145012)</b>

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<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings	23254	11072	25030
Repayment of short-term borrowings	(23996)	(27821)	(33492)
Payment for acquiring right of use assets	(1322)	-	-
Dividend paid including dividend tax	(14049)	(15340)	(15340)
Interest paid	(2233)	(1870)	(2531)
<b>Net cash flows from financing activities</b>	<b>(18346)</b>	<b>(33959)</b>	<b>(26333)</b>
Net (Decrease)/Increase in cash and cash equivalents	(3917)	(45320)	(46558)
Cash and cash equivalents as at the beginning of the period	14624	61182	61182
<b>Cash and cash equivalents as at the end of the period</b>	<b>10707</b>	<b>15862</b>	<b>14624</b>

### Notes to standalone financial results:

- The above standalone unaudited financial results of the Company for the quarter and half year ended September 30, 2019 have been subjected to a limited review by the statutory auditors. These results have been reviewed by the audit committee and taken on record and approved by the Board of Directors at their meeting held on November 8, 2019.
- Details of exceptional items are listed below

(₹ in Lakhs)

	For the quarter ended			For the half year ended		For the year ended
	September 30 2019	June 30 2019	September 30 2018	September 30 2019	September 30 2018	March 31 2019
1. Provision towards advances (refer note a)	(592)	-	-	(592)	-	-
2. Staff cost optimization	-	-	(372)	-	(372)	(695)
3. Impairment of investment (refer note b)	-	-	-	-	-	(66002)
<b>Total</b>	<b>(592)</b>	<b>-</b>	<b>(372)</b>	<b>(592)</b>	<b>(372)</b>	<b>(66697)</b>

- On March 5, 2018, the Company filed with the National Company Law Tribunal, Mumbai Bench ("NCLT"), a scheme of arrangement and reconstruction among the Company and Hemisphere Properties India Limited ("HPIL") and their respective shareholders and creditors for demerger of surplus land ("Scheme"). By order of the NCLT, a meeting of the shareholders of the Company was held on May 10, 2018, at which the shareholders approved the Scheme. On July 12, 2018, the NCLT approved the Scheme. HPIL, being a 'government company', as defined under Section 2(45) of the Companies Act, 2013, had filed its petition seeking sanction to the Scheme, before the Central Government through the Ministry of Corporate Affairs, New Delhi ("MCA"). The MCA has approved the Scheme through its order dated August 5, 2019 and HPIL has filed the order with the Registrar of Companies, New Delhi. Consequent to the receipt of the approvals of the NCLT and the MCA, to the Scheme, the Board of Directors of the Company fixed September 18, 2019 as the "Record Date" for the Scheme, for determining the shareholders of the Company who shall be eligible to receive the equity shares of HPIL. The Company and HPIL are working towards giving effect to the Scheme in accordance with its terms.

Accordingly, during the quarter ended September 30, 2019, the Company has recorded an expense of ₹ 592 lakhs relating to such demerger under exceptional items. Further, the carrying value of surplus land and fixed deposits amounting to ₹ 306 lakhs has been derecognised and the same is adjusted in retained earnings.

- The Company has investment in its wholly owned subsidiary Tata Communications Payment Solutions Limited. During the quarter and year ended March 31, 2019, there was a diminution in the fair value of the investment resulting into a loss of ₹ 66002 lakhs.

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3. During the quarter ended September 30, 2019, the Company has received a demand from Department of Telecommunications (DOT) for ₹ 663343 lakhs towards License Fee on its Adjusted Gross Revenue (AGR) for the financial years 2006-07 till 2017-18. This includes an amount of ₹ 543370 lakhs which were disallowed by the DOT towards the cost adjusted to Gross Revenues by the Company that were claimed on accrual basis instead of actual payment, for which a revised statement on the basis of actual payment is being submitted. On October 24, 2019, the Honourable Supreme Court has given ruling on the AGR. The Company's appeal is not included in the above ruling. The Company has existing appeals relating to its ILLD & NLD licenses which were filed in the past and are pending at the Hon'ble Supreme Court and Hon'ble Madras High Court. The Company plans to contest these demands and believes it will be able to defend its position. Further, the Company has obtained a legal opinion in this regard.
4. The Company has exercised the option of lower tax rate of 25.17% (inclusive of surcharge and cess) permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Assets (net) as at March 31, 2019 and tax expense for the period ended June 30, 2019 have been re-measured. Consequently, tax expense for the current quarter includes a charge of ₹ 4791 lakhs.
5. The Company has adopted Ind AS 116 using the modified retrospective approach from April 1, 2019 and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the previous periods have not been retrospectively adjusted. On adoption, the Company has recognised a right-of-use asset of ₹ 6117 lakhs, a lease liability of ₹ 7885 lakhs and adjustment to retained earnings (net of taxes) of ₹ 1150 lakhs (including the impact of deferred tax asset created of ₹ 618 lakhs). Further, an amount of ₹ 16614 lakhs has been reclassified from non-current/current assets to right-of-use assets for prepaid operating lease rentals. Adoption of the standard has resulted in an increase of loss from operations before taxes for the half year ended September 30, 2019 ₹ 155 lakhs.
6. Previous periods' figures have been reclassified wherever necessary to conform to the current period classifications/disclosures.

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# TATA COMMUNICATIONS LIMITED

REGD. OFFICE: VSB, M.G. ROAD, FORT, MUMBAI-400001.

(₹ in lakhs)

## E. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30 2019	June 30 2019	September 30 2018	September 30 2019	September 30 2018	March 31 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income from operations</b>	427276	416862	406822	844138	801197	1652495
2 Other income, net	954	884	864	1838	161	6026
<b>3 Total income (1 + 2)</b>	<b>428230</b>	<b>417746</b>	<b>407686</b>	<b>845976</b>	<b>801358</b>	<b>1658521</b>
<b>4 Expenses</b>						
a. Network and transmission expense	169658	170840	181762	340498	361035	716204
b. Employee benefits expense	73201	76865	74477	150066	143377	295966
c. Finance costs	11571	11574	9785	23145	18870	39655
d. Depreciation and amortisation expense	55834	55215	50059	111049	98546	206760
e. Other expenses	101050	86594	87566	187644	175082	365840
<b>Total expenses (4a to 4e)</b>	<b>411314</b>	<b>401088</b>	<b>403649</b>	<b>812402</b>	<b>796910</b>	<b>1624425</b>
5 Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	16916	16658	4037	33574	4448	34096
6 Exceptional items (Refer note 2)	(592)	(648)	157	(1240)	157	224
<b>7 Profit from operations before tax and share of profit/(loss) of associates (5 + 6)</b>	<b>16324</b>	<b>16010</b>	<b>4194</b>	<b>32334</b>	<b>4605</b>	<b>34320</b>
8 Tax expense/ (benefit): (Refer note 5)						
a. Current tax	6161	11658	5351	17819	13205	33267
b. Deferred tax	4911	(3134)	(1174)	1777	(2614)	(5935)
<b>9 Profit/(loss) before share of profit/(loss) of associates (7 - 8)</b>	<b>5252</b>	<b>7486</b>	<b>17</b>	<b>12738</b>	<b>(5986)</b>	<b>6988</b>
10 Share in Profit/(Loss) of associates	179	214	198	393	406	(15031)
<b>11 Profit/ (loss) for the period (9 + 10)</b>	<b>5431</b>	<b>7700</b>	<b>215</b>	<b>13131</b>	<b>(5580)</b>	<b>(8043)</b>
<b>Attributable to:</b>						
Equity holders of the parent	5391	7661	165	13052	(5684)	(8237)
Non-controlling interest	40	39	50	79	104	194
12 Other Comprehensive Income/(loss) (net of tax)	(18820)	(2244)	(34815)	(21064)	(63716)	(44536)
<b>13 Total Comprehensive income/(loss) (11+12)</b>	<b>(13389)</b>	<b>5456</b>	<b>(34600)</b>	<b>(7933)</b>	<b>(69296)</b>	<b>(52579)</b>
<b>Attributable to:</b>						
Equity holders of the parent	(13429)	5417	(34650)	(8012)	(69400)	(52773)
Non-controlling interest	40	39	50	79	104	194
14 Paid up equity share capital (Face value of ₹10 per share)	28500	28500	28500	28500	28500	28500
15 Reserves excluding Revaluation reserve						(67287)
16 Earnings per share (of ₹ 10/- each) (not annualised)						
Basic and diluted earnings per share (₹)	1.89	2.69	0.06	4.58	(1.99)	(2.89)



**F. Consolidated Business Segment Information:**

**i. Consolidated Segment wise revenue and results:**

(₹ in Lakhs)

Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30 2019	June 30 2019	September 30 2018	September 30 2019	September 30 2018	March 31 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income from operations</b>						
Voice Solutions	87414	89025	99913	176439	202592	387031
Data and Managed Services	327960	315604	295292	643564	574302	1217202
Payment Solutions	8503	8895	8640	17398	18321	35708
Real Estate	4111	3952	3488	8063	7162	15184
Less: Inter Segment Revenue	(712)	(614)	(511)	(1326)	(1180)	(2630)
<b>Total</b>	<b>427276</b>	<b>416862</b>	<b>406822</b>	<b>844138</b>	<b>801197</b>	<b>1652495</b>
<b>Segment result</b>						
Voice Solutions	7401	8228	8329	15629	14488	29829
Data and Managed Services	18944	18255	5955	37199	11357	41677
Payment Solutions	(1293)	(1319)	(2789)	(2612)	(5906)	(10514)
Real Estate	2481	2184	1463	4665	3218	6916
<b>Total</b>	<b>27533</b>	<b>27348</b>	<b>12958</b>	<b>54881</b>	<b>23157</b>	<b>67908</b>
Less:						
(i) Finance Costs	11571	11574	9785	23145	18870	39655
(ii) Other un-allocable (income) net of un-allocable expenditure	(362)	(236)	(1021)	(598)	(318)	(6067)
<b>Profit before tax</b>	<b>16324</b>	<b>16010</b>	<b>4194</b>	<b>32334</b>	<b>4605</b>	<b>34320</b>

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ii. Consolidated Segment Assets and Liabilities:

(₹ in Lakhs)

Particulars	As at			
	September 30 2019	June 30 2019	September 30 2018	March 31 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Assets</b>				
Voice Solutions	52481	54073	72695	65534
Data and Managed Services	1567160	1495118	1427375	1404434
Payment Solutions	41185	40111	43960	36969
Real Estate	40327	37648	28635	38085
	<b>1701153</b>	<b>1626950</b>	<b>1572665</b>	<b>1545022</b>
Unallocated Assets	401391	418312	479738	456254
<b>Total Segment Assets</b>	<b>2102544</b>	<b>2045262</b>	<b>2052403</b>	<b>2001276</b>
<b>Segment Liabilities</b>				
Voice Solutions	65926	73582	78781	75373
Data and Managed Services	987739	940037	883559	862361
Payment Solutions	21301	19157	14805	13402
Real Estate	20139	17113	4631	13120
	<b>1095105</b>	<b>1049889</b>	<b>981776</b>	<b>964256</b>
Unallocated Liabilities	1064937	1025125	1104947	1054625
<b>Total Segment Liabilities</b>	<b>2160042</b>	<b>2075014</b>	<b>2086723</b>	<b>2018881</b>

iii. Notes to Segments:

The Group's (the Company and its subsidiaries together referred to as "the Group") operating segments comprise of Voice Solutions, Data and Managed Services, Payment Solutions and Real Estate. The composition of the operating segments is as follows:

Voice Solutions includes International and National Long Distance Voice services.

Data and Managed Services includes corporate data transmission services, virtual private network, signaling and roaming services, television and other network and managed services, data center services.

Payment Solutions includes end-to-end ATM deployment, end-to-end POS enablement, hosted core banking, end to end financial inclusion and card issuance and related managed services and switching services to banking sector carried out by the Company's wholly owned subsidiary Tata Communications Payment Solutions Limited.

Real Estate segment includes lease rentals for premises given on lease.

BR / PM



**G. Statement of Consolidated Assets and Liabilities:**

(₹ in Lakhs)

Particulars	As at	As at
	September 30 2019	March 31 2019
	(Unaudited)	(Audited)
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	886514	924149
(b) Capital work-in-progress	45878	29831
(c) Right-of-use assets	143498	-
(d) Investment property	25941	22627
(e) Investment property under development	10458	4682
(f) Goodwill	8590	8628
(g) Other intangible assets	160562	168853
(h) Intangible assets under development	10459	6303
(i) Financial assets		
(i) Investments		
(a) Investments in associates	63894	73952
(b) Other investments	17565	15577
(ii) Other financial assets	14163	11552
(j) Deferred tax assets (net)	13529	15029
(k) Non-current tax assets	149482	155506
(l) Other non-current assets	17839	33892
<b>Total Non-current assets</b>	<b>1568372</b>	<b>1470581</b>
<b>Current assets</b>		
(a) Inventories	7404	7658
(b) Financial assets		
(i) Other investments	35654	59598
(ii) Trade receivables	329377	296845
(iii) Cash and cash equivalents	61766	78906
(iv) Bank balances other than (iii) above	4895	6302
(v) Other financial assets	10648	12322
(c) Other current assets	77271	68853
	<b>527015</b>	<b>530484</b>
Assets classified as held for sale	7157	211
<b>Total Current assets</b>	<b>534172</b>	<b>530695</b>
<b>TOTAL ASSETS</b>	<b>2102544</b>	<b>2001276</b>

RR / RM



G. Statement of Consolidated Assets and Liabilities:

(₹ in lakhs)

Particulars	As at	As at
	September 30 2019	March 31 2019
	(Unaudited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	28500	28500
(b) Other equity	(86441)	(46681)
<b>Equity attributable to equity holders of the parent</b>	<b>(57941)</b>	<b>(18181)</b>
Non-controlling interests	443	576
<b>Total Equity</b>	<b>(57498)</b>	<b>(17605)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	689118	679441
(ii) Other financial liabilities	2332	1665
(iii) Lease liabilities	123076	-
(b) Provisions	54400	50643
(c) Deferred tax liabilities (net)	3217	6161
(d) Other non-current liabilities	320126	335720
<b>Total Non-current liabilities</b>	<b>1192269</b>	<b>1073630</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	241465	237059
(ii) Trade payables	366663	368852
(iii) Other financial liabilities	134941	150270
(iv) Lease liabilities	25396	-
(b) Other current liabilities	154489	159227
(c) Provisions	9394	9518
(d) Current tax liabilities (net)	31359	20325
<b>Total Current liabilities</b>	<b>963707</b>	<b>945251</b>
Liabilities directly associated with assets classified as held for sale	4066	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2102544</b>	<b>2001276</b>

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H. Statement of Consolidated Cash Flow:

(₹ in lakhs)

Particulars	For the half year ended		For the year ended
	September 30 2019 (Unaudited)	September 30 2018 (Unaudited)	March 31 2019 (Audited)
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>13131</b>	<b>(5580)</b>	<b>(8043)</b>
<b>Adjustments for:</b>	-	-	-
Income tax expense recognised in statement of consolidated financial results	19596	10591	27332
Share in (profit)/loss of associate	(393)	(406)	15031
Depreciation and amortisation expenses	111049	98546	206760
Loss/(Gain) on disposal of property, plant and equipment (net)	6	(140)	191
Interest income on financial assets carried at amortised cost	(230)	(329)	(469)
Finance cost	23145	18870	39655
Loss on sale of investment	653	-	-
Bad debts written off	-	-	34
Allowance for trade receivables	5076	4411	8179
Provision for inventories and CWIP	729	108	274
Provision towards advances	592	-	-
Allowance for doubtful advances	153	-	1515
Gain on investments carried at fair value through profit or loss (net)	(1135)	(1248)	(3004)
Exchange fluctuation	631	2534	1186
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>173003</b>	<b>127357</b>	<b>288641</b>
<b>Adjustment for (increase)/decrease in operating assets</b>			
Inventories	285	(3174)	(5195)
Trade receivables	(34584)	9766	106
Other assets	(9413)	(21812)	(29036)
<b>Adjustment for increase/(decrease) in operating liabilities</b>			
Trade payables	(6581)	8497	6996
Other liabilities	(21171)	(34741)	(17882)
Provisions	(306)	(2169)	276
Adjustment of translation differences on working capital	1340	2839	(2742)
<b>Cash generated from operations before tax</b>	<b>102573</b>	<b>86563</b>	<b>241165</b>
Income tax refund/(paid) (net)	551	(30397)	(56732)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>103124</b>	<b>56166</b>	<b>184433</b>

RR / SN



## H. Statement of Consolidated Cash Flow:

(₹ in lakhs)

	Particulars	For the half year ended		For the year ended
		September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	March 31, 2019 (Audited)
2	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Payment to purchase of property, plant and equipments and intangible assets	(79536)	(83932)	(174889)
	Proceeds from disposal of property, plant and equipments and intangible assets	209	274	1015
	Proceeds from disposal of asset held for sale	226	425	657
	Purchase of investments in associates	-	(3501)	(3504)
	Purchase of non-current investments	(1648)	(1545)	(2475)
	Fixed deposits transferred as part of land demerger	(290)	-	-
	Acquisition of business, net of cash	-	-	(10078)
	Purchase of current investments	(393005)	(346302)	(720934)
	Proceeds from sale of current investments	418084	330331	683008
	Proceeds from sale of investments in associate	7210	-	-
	Fixed deposits liquidated/(placed)	1521	(1326)	(2132)
	Earmarked funds	(5)	-	(28)
	Interest received	136	306	556
	<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(47098)</b>	<b>(105270)</b>	<b>(228804)</b>
3	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Proceeds from Short-term borrowings	160363	80467	169165
	Repayment of Short-term borrowings	(111865)	(27821)	(126442)
	Proceeds from Long-term borrowings	-	86415	130887
	Repayment of Long-term borrowings	(23886)	(82083)	(134446)
	Repayment of lease liabilities	(14467)	(300)	(555)
	Dividends paid including dividend tax	(15077)	(15340)	(15340)
	Dividends paid to non-controlling interest	(212)	(64)	(66)
	Finance cost	(19880)	(18335)	(35327)
	Net (decrease)/increase in working capital borrowings	(48385)	(24751)	9354
	<b>NET CASH FLOW (USED IN) FINANCING ACTIVITIES</b>	<b>(73409)</b>	<b>(1812)</b>	<b>(2770)</b>
	<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(17383)</b>	<b>(50916)</b>	<b>(47141)</b>
	<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD</b>	<b>78906</b>	<b>125638</b>	<b>125638</b>
	Exchange difference on translation of foreign currency cash and cash equivalents	243	763	409
	<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD</b>	<b>61766</b>	<b>75485</b>	<b>78906</b>

i Figures in brackets represent outflows



## Notes to consolidated financial results:

- The above consolidated unaudited results of the Group for the quarter and half year ended September 30, 2019 have been subjected to a limited review by the statutory auditors. These results have been reviewed by the audit committee and taken on record and approved by the Board of Directors at their meeting held on November 8, 2019.
- Details of exceptional items are listed below

(₹ in lakhs)

Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30 2019	June 30 2019	September 30 2018	September 30 2019	September 30 2018	March 31 2019
1. Provision towards advances (refer note a)	(592)	-	-	(592)	-	-
2. Loss on sale of investment (refer note b)	-	(648)	-	(648)	-	-
3. Staff cost optimization	-	-	157	-	157	224
<b>Total</b>	<b>(592)</b>	<b>(648)</b>	<b>157</b>	<b>(1240)</b>	<b>157</b>	<b>224</b>

- a) On March 5, 2018, the Company filed with the National Company Law Tribunal, Mumbai Bench ("NCLT"), a scheme of arrangement and reconstruction among the Company and Hemisphere Properties India Limited ("HPIL") and their respective shareholders and creditors for demerger of surplus land ("Scheme"). By order of the NCLT, a meeting of the shareholders of the Company was held on May 10, 2018, at which the shareholders approved the Scheme. On July 12, 2018, the NCLT approved the Scheme. HPIL, being a 'government company', as defined under Section 2(45) of the Companies Act, 2013, had filed its petition seeking sanction to the Scheme, before the Central Government through the Ministry of Corporate Affairs, New Delhi ("MCA"). The MCA has approved the Scheme through its order dated August 5, 2019 and HPIL has filed the order with the Registrar of Companies, New Delhi. Consequent to the receipt of the approvals of the NCLT and the MCA, to the Scheme, the Board of Directors of the Company fixed September 18, 2019 as the "Record Date" for the Scheme, for determining the shareholders of the Company who shall be eligible to receive the equity shares of HPIL. The Company and HPIL are working towards giving effect to the Scheme in accordance with its terms.

Accordingly, during the quarter ended September 30, 2019, the Company has recorded an expense of ₹ 592 lakhs relating to such demerger under exceptional items. Further, the carrying value of surplus land and fixed deposits amounting to ₹ 306 lakhs has been derecognised and the same is adjusted in retained earnings.

- b) During the quarter ended June 30, 2019 the Group sold its entire stake in its associate, STT Tai Seng Pte Limited, for a consideration of ₹ 7210 lakhs resulting into a loss of ₹ 648 lakhs.

3. During the quarter ended September 30, 2019, the Company has received a demand from Department of Telecommunications (DOT) for ₹ 663343 lakhs towards License Fee on its Adjusted Gross Revenue (AGR) for the financial years 2006-07 till 2017-18. This includes an amount of ₹ 543370 lakhs which were disallowed by the DOT towards the cost adjusted to Gross Revenues by the Company that were claimed on accrual basis instead of actual payment, for which a revised statement on the basis of actual payment is being submitted. On October 24, 2019, the Honourable Supreme Court has given ruling on the AGR. The Company's appeal is not included in the above ruling. The Company has existing appeals relating to its ILD & NLD licenses which were filed in the past and are pending at the Hon'ble Supreme Court and Hon'ble Madras High Court. The Company plans to contest these demands and believes it will be able to defend its position. Further, the Company has obtained a legal opinion in this regard.





4. During the quarter ended September 30, 2019, a subsidiary domiciled abroad, has received a demand from VAT authorities for ₹ 11992 lakhs. The Company has filed an appeal against the matter and is confident of defending its position.
5. The Company and its Indian subsidiaries have exercised the option of lower tax rate of 25.17% (inclusive of surcharge and cess) permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Assets (net) as at March 31, 2019 and tax expense for the period ended June 30, 2019 have been re-measured. Consequently, tax expense for the current quarter includes a charge of ₹ 5247 lakhs.
6. The Group has adopted Ind AS 116 using the modified retrospective approach from April 1, 2019 and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the previous periods have not been retrospectively adjusted. On adoption, the Group has recognised a right-of-use assets of ₹ 92872 lakhs, a lease liability of ₹ 115155 lakhs and adjustment to retained earnings (net of taxes) of ₹ 14890 lakhs (including the impact of deferred tax asset created of ₹ 3009 lakhs and derecognition of previously recognised lease equalisation liability of ₹ 4384 lakhs). Further, an amount of ₹ 16614 lakhs has been reclassified from non-current/current assets to right-of-use assets for prepaid operating lease rentals. Adoption of the standard has resulted in an increase of profit from operations before taxes for the half year ended September 30, 2019 by ₹ 543 lakhs.
7. Previous periods' figures have been rearranged wherever necessary to conform to the current period classifications/disclosures.

For TATA COMMUNICATIONS LIMITED

RENUKA RAMNATH  
CHAIRPERSON

SRINATH NARASIMHAN  
DIRECTOR

Place: Mumbai

Date: November 08, 2019

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
Tata Communications Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Tata Communications Limited (the 'Company') for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

5. As fully discussed in note 3 to the results for the period, the Company has received demand dated September 12, 2019 from Department of Telecommunications towards license fee on its Adjusted Gross Revenue (AGR) for FY 2006-07 to 2017-18, for Rs 663,343 lakhs. Also, the Hon'ble Supreme Court on October 24, 2019 has pronounced its ruling on the AGR matter relating to Unified Access Service Licenses ('UASL'). The Company has licenses which are different than UASL and its petition in respect of litigations of AGR definition as per its licenses are pending adjudication at Hon'ble Supreme Court and High Court of Chennai. The Company is of the view that it will be able to defend its position and has obtained a legal opinion in this regard. Currently, the financial results do not include any adjustment pertaining to the same. Our report is not modified in this regard.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Hormuz Master**

Partner

Membership No.: 110797



UDIN: 191107997AAAADN1217

Place: Mumbai

Date: November 8, 2019

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
Tata Communications Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Tata Communications Limited (the 'Parent') and its subsidiaries (the Parent Company and its subsidiaries together referred to as 'the Group') and its share of the net profit after tax and total comprehensive income for its associates for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the 'Statement') attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "'Listing Regulations'). Attention is drawn to the fact that Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Parent Company's Board of Directors but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent Company's Management and approved by the Parent Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities as referred to in the Annexure.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. As fully discussed in note 3 to the results for the period, the Company has received demand dated September 12, 2019 from Department of Telecommunications (DoT) towards license fee on its Adjusted Gross Revenue (AGR) for FY 2006-07 to 2017-18, for Rs 663,343 lakhs. Also, the Hon'ble Supreme Court on October 24, 2019 has pronounced its ruling on the AGR matter relating to Unified Access Service Licenses ('UASL'). The Company has licenses which are different than UASL and its petition in respect of litigations of AGR definition as per its licenses are pending adjudication at Hon'ble Supreme Court and High Court of Chennai. The Company is of the view that it will be able to defend its position and has obtained a legal opinion in this regard. Currently, the financial results do not include any adjustment pertaining to the same. Our report is not modified in this regard.
7. We draw attention to note 4, which describes the uncertainty related to the outcome of the on-going tax litigation of Rs 11,992 lakhs, in one of the subsidiary of the Group. Our opinion is not modified in this regard.
8. The accompanying Statement includes unaudited interim financial results of a subsidiary, whose interim financial results reflect Group's share of total assets of Rs 7,889 lakhs as at September 30, 2019, and Group's share of total revenues of Rs 1,694 lakhs and Rs 3,399 lakhs, Group's share of total net profit after tax of Rs 401 lakhs and Rs 788 lakhs, Group's share of total comprehensive income of Rs 401 lakhs and Rs 788 lakhs, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash outflow of Rs 54 lakhs for the period from April 1, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by their respective independent auditors. Our conclusion on the statement is not modified in respect of the above matter.



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# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

9. The accompanying Statement includes the Group's share of net profit after tax of Rs 179 lakhs and Rs 393 lakhs and total comprehensive income of Rs 176 lakhs and Rs 388 lakhs, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, as considered in the unaudited consolidated financial results, in respect of four associates, based on their interim financial results which have not been reviewed by their auditors. These unaudited financial results and other unaudited financial information have been approved and furnished to us by the management. Our conclusion, in so far as it relates to the affairs of these associates, is based solely on such unaudited financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Hormuz Master  
Partner

Membership No.: 110797

UDIN: 19110797AAAAD05598

Place: Mumbai

Date: November 8, 2019

**Annexure to Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**List of Subsidiaries and Associates**

**Subsidiaries**

1. TATA COMMUNICATIONS (AUSTRALIA) PTY LIMITED
2. TATA COMMUNICATIONS (AMERICA) INC.
3. TCPOP COMMUNICATION GmbH
4. TATA COMMUNICATIONS (BELGIUM) SPRL
5. TATA COMMUNICATIONS (BERMUDA) LIMITED
6. TATA COMMUNICATIONS SERVICES (BERMUDA) LIMITED
7. TATA COMMUNICATIONS (BEIJING) TECHNOLOGY LIMITED
8. TATA COMMUNICATIONS (CANADA) LTD.
9. TATA COMMUNICATIONS (FRANCE) SAS
10. TATA COMMUNICATIONS DEUTSCHLAND GMBH
11. TATA COMMUNICATIONS (GUAM) L.L.C.
12. TATA COMMUNICATIONS (HONG KONG) LIMITED
13. TATA COMMUNICATIONS (HUNGARY) LLC
14. TATA COMMUNICATIONS (IRELAND) DAC
15. TATA COMMUNICATIONS (ITALY) S.R.L
16. TATA COMMUNICATIONS (JAPAN) K.K.
17. ITXC IP HOLDINGS S.A.R.L.
18. TATA COMMUNICATIONS (MALAYSIA) SDN. BHD.
19. TATA COMMUNICATIONS (NETHERLANDS) B.V.
20. TATA COMMUNICATIONS (NEW ZEALAND) LIMITED
21. TATA COMMUNICATIONS (NORDIC) AS
22. TATA COMMUNICATIONS (POLAND) SP. Z O. O.
23. TATA COMMUNICATIONS (PORTUGAL) INSTALAÇÃO E MANUTENÇÃO DE REDES, LDA
24. TATA COMMUNICATIONS (PORTUGAL), UNIPESSOAL LDA
25. TATA COMMUNICATIONS (RUSSIA) LLC.
26. TATA COMMUNICATIONS INTERNATIONAL PTE. LTD.
27. VSNL SNOSPV PTE. LTD.
28. TATA COMMUNICATIONS SERVICES (INTERNATIONAL) PTE. LTD.
29. TATA COMMUNICATIONS (SPAIN), S.L.
30. TATA COMMUNICATIONS (SWEDEN) AB
31. TATA COMMUNICATIONS (SWITZERLAND) GMBH
32. TATA COMMUNICATIONS (TAIWAN) LTD
33. TATA COMMUNICATIONS (THAILAND) LIMITED
34. TATA COMMUNICATIONS (MIDDLE EAST) FZ-LLC
35. TATA COMMUNICATIONS (UK) LIMITED
36. TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED
37. TATA COMMUNICATIONS PAYMENT SOLUTIONS LIMITED



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

38. TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
39. SEPCO COMMUNICATIONS (PTY) LIMITED
40. TATA COMMUNICATIONS LANKA LIMITED
41. TATA COMMUNICATIONS (SOUTH KOREA) LIMITED
42. TATA COMMUNICATIONS TRANSFORMATION SERVICES PTE LIMITED
43. Tata Communications Transformation Services (Hungary) Kft.
44. Tata Communications (Brazil) Participacoes Limitada
45. Nexus Connexion (SA) Pty Limited
46. Tata Communications Transformation Services (US) Inc
47. Tata Communications Transformation Services South Africa (Pty) Ltd
48. Tata Communications Comunicações E Multimídia (Brazil) Limitada
49. Tata Communications MOVE B.V.
50. Tata Communications MOVE Nederland B.V.
51. Tata Communications MOVE UK Limited
52. Tata Communications MOVE Singapore Pte. Ltd.
53. MuCoso B.V.
54. Net Foundry Inc.
55. TC IOT Managed Solutions Limited

## **Associates**

- 1 STT GLOBAL DATA CENTERS PRIVATE LTD
- 2 UNITED TELECOM LIMITED
- 3 SMART ICT SERVICES PRIVATE LIMITED
- 4 STT Tai Seng Pte. Ltd. (upto June 13, 2019)





For immediate release

PRESS RELEASE

## Tata Communications continues to drive growth and profitability Delivers PAT of INR 54 Crore for Q2

*Data services revenue grew by +10.7% YoY | Consolidated EBITDA increased by +32.3% YoY with margin expansion of 400 Bps*

Mumbai - November 8th, 2019 - Tata Communications today announces its financial results for the quarter ended September 30th, 2019

### Highlights | Q2 FY2020

#### Data services portfolio

- Strong growth in Data business; revenue grew by +10.7% YoY on the back of robust performance in Traditional services and Transformation services portfolio, despite industry headwinds
- Data EBITDA was at INR 752.4 crore (USD 106.8 Mn); up +40.0% YoY led by strong growth in Traditional services and profitable gain in Growth services<sup>1</sup>
- Traditional services<sup>2</sup> saw a robust growth in revenue and profitability; revenue grew by +7.2% YoY and EBITDA grew by 40.0% YoY with margins at 37.8%. Within this portfolio, the India business has regained momentum after being affected by operator consolidation last year
- Growth services continue to scale and witness profitable growth; revenue grew by +13.7% YoY. We are witnessing operating leverage in this portfolio; EBITDA grew by +33.2% QoQ with a margin expansion of 90 Bps

#### Consolidated financial highlights

- Consolidated revenue was at INR 4,273 crore (USD 607 Mn); growth of +5.0% YoY on the back of continued improvement in Data business
- Consolidated EBITDA at INR 833.7 crore (USD 118.4 Mn); increase of +32.3% YoY on the back of strong growth in Traditional services and margin expansion in Growth services
- Consolidated PAT at INR 53.9 crore (USD 7.6 Mn) as compared to a profit of INR 1.6 crore (USD 0.4 Mn) in Q2 FY19
- CAPEX for this quarter was USD 65 Mn as compared to USD 45 Mn in Q1 FY20

Consolidated Nos.	INR Crore	QoQ Growth	YoY Growth	USD Mn	QoQ Growth	YoY Growth
Gross Revenue	4,272.8	2.5%	5.0%	606.8	1.3%	4.6%
EBITDA	833.7	1.0%	32.3%	118.4	(0.3%)	31.6%
EBITDA margin	19.5%	(30 Bps)	400 Bps	19.5%	(30 Bps)	400 Bps
PAT	53.9	(29.7%)	□	7.6	(30.7%)	□

<sup>1</sup>Growth services include IZO™, Managed Hosting, Managed Security Services, Broadcast, Video Connect, SIP Trunking, Global Hosted Contact Center, Video Streaming, Mobile New Services, Healthcare, Media Management and Mobile Innovation.

<sup>2</sup>Traditional services include Virtual Private Network, International Private Line, Internet Leased Line, Ethernet, Internet Protocol -Transit, Inmarsat, Content Delivery Network, National Private Line, Mobility, Data Centre, Unified Collaboration and Conferencing

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Commenting on the results, **A.S Lakshminarayanan, MD and CEO - Designate, Tata Communications**, said, “As the market continues to evolve at an unprecedented rate, the need to accelerate digital transformation across all layers of the enterprise is the reality businesses face to remain competitive today. Our focus on providing digital infrastructure solutions that align with this customer need is showing results. This is evident in the growth and profitability of our Data business which now drives 79% of business revenues. By being a part of our customers’ digital journeys, we remain committed to steering the business towards sustainable profit and ultimately, demonstrable stakeholder value.”

Commenting on the results, **Pratibha K. Advani, Chief Financial Officer, Tata Communications**, said, “We have witnessed a robust trend over last few quarters with strong financial performance delivered across all key parameters. Our Data business has continued to witness strong performance in revenue as well as profitability, despite industry headwinds. We have a strong order book and we expect this trend to continue as we keep executing on large deals.

Communication infrastructure needs of enterprises have evolved and digital transformation is the focus area. Robust growth in our Enterprise business of 10.8% shows that we have established ourselves as a preferred digital transformation partner.”

An investor fact sheet providing detailed analysis of the results for the quarter ended September 30th, 2019 has been uploaded on the Tata Communications website and can be accessed [here](#).

### Business highlights | Q2 FY2020

- **Awards**
  - [Tata Communications named Asia-Pacific Managed SD-WAN Service Provider of the Year by Frost & Sullivan](#)
  - [Tata Communications named a finalist in the 2019 Microsoft Intelligent Communications Partner of the Year Award](#). The company was honoured among a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology
  - [Great Place to Work®: India's Best Workplaces for Women 2019](#)
  - [Aon Best Employers India 2019](#)
  - [2019 Golden Bridge Award: Winner, Gold - Company of the Year | Telecommunications](#), for developing a unique proposition and distinct voice for the company in the B2B and B2B2C IoT market in India
- **Partnerships**
  - [Cisco and Tata Communications](#): Tata Communications and Cisco expanded their partnership to offer enterprises a secure, fully-managed, multi-channel, intelligent and cloud-based Cisco Webex Contact Center solution. This joint offering is an end-to-end managed solution with global reach enabled by Tata Communications' global digital infrastructure and managed services expertise, which companies of all sizes can now leverage for competitive advantage.
  - [Microsoft and Tata Communications](#): Tata Communications expanded its global relationship with Microsoft with the addition of managed services capability for Azure Virtual WAN. Enterprises worldwide can now combine IZO™ Internet WAN with the Microsoft global network to connect employees seamlessly and securely to cloud-based applications and data through the new managed service. Through the IZO™ SDWAN service, enterprises can gain greater visibility and control over this hybrid network infrastructure. Tata Communications is one of the first partners to leverage a new Azure Service Provider Management Toolkit, launched at Microsoft Inspire, as part of the Azure Networking Managed Services Partner (MSP) Program
  - [Thales and Tata Communications](#): Thales, a global leader in digital security, and Tata Communications are working together to develop a secure global IoT connectivity solution. Tata Communications MOVE™ mobility and IoT platform and Thales's T-Sure warranted digital identity offering is set to unlock the value in data generated by connected devices such as cars and trucks, whilst maintaining the integrity and security of IoT data
  - [CreditPilot and Tata Communications](#): CreditPilot, a financial technology company specialising in digital and mobile financial services, transactional and payment infrastructure, and Tata Communications have come together to offer mobile and digital financial services solutions to mobile operators. Under the terms of a joint Engagement Agreement (EA), Tata Communications and CreditPilot will form a joint task force to assess the integration of the provision of financial services with the Tata Communications MOVE™ - Mobile Virtual Network Operator Enabler (MVNE) platform
  - [Hedera Governing Council](#): Tata Communications joined the Hedera Governing Council, an enterprise-ready distributed ledger platform which comprises up to 39 multinational entities from a diverse array of industries
  - [Tata Communications and Neeco](#): Neeco Global ICT Services, a leading global provider of complex ICT services announced that it is now a customer of Tata Communications and will deliver Internet of Things (IoT) services for enterprises in Europe

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- [Focus Softnet and Tata Communications](#): Focus Softnet, a leading software development and enterprise applications provider, has partnered with Tata Communications to host its cloud-based ERP solutions on Tata Communications' IZO™ Private Cloud platform

## New launches

- [Tata Communications' NetFoundry](#): NetFoundry™, a software and business developed as part of Tata Communications' Shape the Future innovation and entrepreneurship programme, was officially launched as an independent subsidiary within the Tata Communications Group. NetFoundry passed the \$1 million USD annual recurring revenue (ARR) milestone in less than two years of selling its services, growing ARR by over 50% on a quarter-over-quarter basis for the past three quarters. Through this spin-off, Tata Communications aims to help the North Carolina-based company to accelerate its growth further
  - [The European Tour Innovation Hub](#): The European Tour and Tata Communications launched an innovation contest that calls on start-ups around the world to develop creative new solutions and concepts to enhance the game of golf. The European Tour Innovation Hub with Tata Communications aims to find ideas that can be developed commercially with support from the Tour's business development team, venture capital (VC) firms and Tata Communications with the winning solution tested in action during the 2020 season
- CSR
    - **DRIVE week**, Tata Communications' company-wide tools-down day that unites employees across geographies to serve the common goal of giving back to society, saw **7,700 volunteers** this year; contributing a cumulative of **44,238 hours** of volunteering and touching **47,139 lives** across countries. DRIVE week is a movement at Tata Communications that focuses on a clear strategic objective of serving the communities in which we operate
  - Leadership update
    - On October 3rd 2019, Tata Communications [announced that it has appointed Mr. Amur Swaminathan Lakshminarayanan as the Managing Director and Group Chief Executive Officer \(MD & CEO\) - Designate](#) of the company

ENDS...

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## About Tata Communications

Tata Communications is a leading global digital infrastructure provider that powers today's fast growing digital economy.

The company's customers represent 300 of the Fortune 500 whose digital transformation journeys are enabled by its portfolio of integrated, globally managed services that deliver local customer experiences. Through its network, cloud, mobility, Internet of Things (IoT), collaboration and security services, Tata Communications carries around 30% of the world's internet routes and connects businesses to 60% of the world's cloud giants and 4 out of 5 mobile subscribers.

The company's capabilities are underpinned by its global network. It is the world's largest wholly owned subsea fibre backbone and a Tier-1 IP network with connectivity to more than 240 countries and territories.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India and is present in over 200 countries and territories around the world.

[www.tatacommunications.com](http://www.tatacommunications.com)

## Forward-looking and cautionary statements

Certain words and statements in this release concerning Tata Communications and its prospects, and other statements, including those relating to Tata Communications' expected financial position, business strategy, the future development of Tata Communications' operations, and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of Tata Communications, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on Tata Communications' network; failure to develop new products and services that meet customer demands and generate acceptable margins; failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services; failure to stabilize or reduce the rate of price compression on certain of the company's communications services; failure to integrate strategic acquisitions and changes in government policies or regulations of India and, in particular, changes relating to the administration of Tata Communications' industry; and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in Tata Communications' control, include, but are not limited to, those risk factors discussed in Tata Communications Limited's Annual Reports. The Annual Reports of Tata Communications Limited are available at [www.tatacommunications.com](http://www.tatacommunications.com). Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.