



HQ/CS/CL.24B/16915
January 22, 2020

Sir,

Sub: Unaudited Financial Results of Tata Communications Limited (“the Company”) for the quarter ended on December 31, 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 ended on December 31, 2019 which have been approved by the Board of Directors at the meeting held on January 22, 2020 is attached as **Attachment-A**.
- ii. Limited Review Report of the auditors on the unaudited financial results for the quarter ended on December 31, 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 <https://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

Tata Communications Limited

Address: G Block, C 21 & 36, Bandra Kurla Complex, Mumbai 400098

Regd. Office : VSB Mahatma Gandhi Road Fort Mumbai – 400 001

Tel 91 22 6659 1966 email : manish.sansi@tatacommunications.com

CIN no. : L64200MH1986PLC039266 website: www.tatacommunications.com



TATA COMMUNICATIONS LIMITED

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

Attachment 'A'

(₹ in Lakhs)

A. STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

	Particulars	For the quarter ended			For the nine months ended		For the year ended
		December 31 2019	September 30 2019	December 31 2018	December 31 2019	December 31 2018	March 31 2019
	(Refer notes below)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
1	Income from operations	141868	146964	141408	426140	396675	538913
2	Other income, net	3088	4365	1539	15123	4586	9223
3	Total Income (1+2)	144956	151329	142947	441263	401261	548136
4	Expenses						
	a. Network and transmission expense	48193	50888	76956	141669	173625	218366
	b. Employee benefits expense	24088	25039	23988	73736	68277	92125
	c. Finance costs	1527	1131	683	3862	2602	3612
	d. Depreciation and amortisation expense	23602	22891	22205	69359	64811	89088
	e. Other expenses	31880	33719	10964	95528	67330	105825
	f. Total expenses (4a to 4e)	129290	133668	134796	384154	376645	509016
5	Profit from ordinary activities before exceptional items and tax (3 - 4)	15666	17661	8151	57109	24616	39120
6	Exceptional items (Refer note 2)	-	(592)	-	(592)	(372)	(66697)
7	Profit / (Loss) from ordinary activities before tax (5 + 6)	15666	17069	8151	56517	24244	(27577)
8	Tax expense / (benefit): (refer note 4)						
	a. Current tax	4636	4560	4731	18388	13055	22383
	b. Deferred tax	(324)	4994	(2687)	2562	(5261)	(5728)
9	Profit / (Loss) for the period (7 - 8)	11354	7515	6107	35567	16450	(44232)
10	Other Comprehensive Income / (Loss) (net of tax)	(531)	(876)	(1176)	(2639)	(608)	(886)
11	Total Comprehensive Income / (Loss) (9 + 10)	10823	6639	4931	32928	15842	(45118)
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 (₹)	3.98	2.64	2.14	12.48	5.77	(15.52)



B. Standalone Business Segment Information:

i. Segment wise revenue and results:

(₹ in Lakhs)

Particulars	For the quarter ended			For the nine months ended		For the year ended
	December 31 2019	September 30 2019	December 31 2018	December 31 2019	December 31 2018	March 31 2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Income from Operations						
Voice Solutions	3496	6575	6927	16464	23845	28997
Data and Managed Services	134806	136574	130672	398528	362367	495806
Real Estate	3566	3815	3809	11148	10463	14110
Total	141868	146964	141408	426140	396675	538913
Segment result						
Voice Solutions	(7719)	(6338)	(9880)	(20681)	(28277)	(36121)
Data and Managed Services	19652	18341	14970	59628	45210	62155
Real Estate	2172	2424	2205	6901	5699	7475
Total	14105	14427	7295	45848	22632	33509
Less :						
(i) Finance Costs	1527	1131	683	3862	2602	3612
(ii) Other un-allocable (income) net of un-allocable expenses	(3088)	(3773)	(1539)	(14531)	(4214)	57474
Profit/ (Loss) before taxes	15666	17069	8151	56517	24244	(27577)

ii. Segment Assets and Liabilities:

(₹ in Lakhs)

Particulars	As on			
	December 31 2019	September 30 2019	December 31 2018	March 31 2019
Segment Assets				
Voice Solutions	14173	14337	13680	13375
Data and Managed Services	649535	645174	597368	589993
Real Estate	47543	46176	40042	44458
Unallocable Assets	604672	591177	687103	613570
Total Assets	1315923	1296864	1338193	1261396
Segment Liabilities				
Voice Solutions	19025	15203	14381	13444
Data and Managed Services	345832	339511	311631	315655
Real Estate	21640	20064	9190	12781
Unallocable Liabilities	92115	95596	122143	99628
Total Liabilities	478612	470374	457345	441508

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.

Notes to standalone financial results:

1. The above standalone unaudited financial results of the Company for the quarter and nine months ended December 31, 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 January 22, 2020.
2. Details of exceptional items are listed below

(₹ in Lakhs)

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

- 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. 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.



3. During the quarter ended September 30, 2019, the Company has received demands from Department of Telecommunications (DOT) aggregating to ₹ 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 has been submitted. On October 24, 2019, the Honorable Supreme Court has given ruling on the AGR. Subsequently, based on media reports, the Company understands that certain ISPs have got demands for payment of AGR on non-telecom income by the DOT and these ISP's have sought clarifications which is pending before Hon'ble Supreme Court. 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 and the Company's appeal is not included in the Hon'ble Supreme Court ruling of October 24, 2019. Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Supreme Court judgement. The Company has responded to the DOT denying and disputing the amounts claimed by the DOT in the demand cum show cause notice. The Company has not received any response from the DOT after the submission.
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) Act, 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 during the quarter ended September 30, 2019. Consequently, tax expense for the quarter ended September 30, 2019 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 on April 01, 2019. Adoption of the standard has resulted in a decrease of profit from operations before taxes for the nine months ended December 31, 2019 ₹ 472 lakhs.
6. Previous periods' figures have been reclassified wherever necessary to conform to the current period classifications/disclosures.

A handwritten signature in black ink, appearing to be a stylized 'S' or similar character.



TATA COMMUNICATIONS LIMITED

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

(₹ in lakhs)

C. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

Particulars	For the quarter ended			For the nine months ended		For the year ended
	December 31 2019	September 30 2019	December 31 2018	December 31 2019	December 31 2018	March 31 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from operations	422872	427276	426947	1267010	1228144	1652495
2 Other income, net	1397	954	1918	3235	2079	6026
3 Total income (1 + 2)	424269	428230	428865	1270245	1230223	1658521
4 Expenses						
a. Network and transmission expense	168398	169658	186735	508896	547770	716204
b. Employee benefits expense	74624	73201	75711	224690	219088	295966
c. Finance costs	11612	11571	10400	34757	29270	39655
d. Depreciation and amortisation expense	56051	55834	52348	167100	150894	206760
e. Other expenses	103769	101050	80245	291413	255327	365840
Total expenses (4a to 4e)	414454	411314	405439	1226856	1202349	1624425
5 Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	9815	16916	23426	43389	27874	34096
6 Exceptional items (Refer note 2)	-	(592)	-	(1240)	157	224
7 Profit from operations before tax and share of profit/(loss) of associates (5 + 6)	9815	16324	23426	42149	28031	34320
8 Tax expense/ (benefit): (Refer note 5)						
a. Current tax	5316	6161	9636	23135	22841	33267
b. Deferred tax	(1261)	4911	(2963)	516	(5577)	(5935)
9 Profit/(loss) before share of profit/(loss) of associates (7 - 8)	5760	5252	16753	18498	10767	6988
10 Share in Profit/(Loss) of associates	125	179	629	518	1035	(15031)
11 Profit/ (loss) for the period (9 + 10)	5885	5431	17382	19016	11802	(8043)
Attributable to:						
Equity holders of the parent	5854	5391	17329	18906	11645	(8237)
Non-controlling interest	31	40	53	110	157	194
12 Other Comprehensive Income/(loss) (net of tax)	(4927)	(18820)	20940	(25991)	(42776)	(44536)
13 Total Comprehensive income/(loss) (11+12)	958	(13389)	38322	(6975)	(30974)	(52579)
Attributable to:						
Equity holders of the parent	927	(13429)	38269	(7085)	(31131)	(52773)
Non-controlling interest	31	40	53	110	157	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 (₹)	2.05	1.89	6.08	6.63	4.09	(2.89)



D. Consolidated Business Segment Information:

i. Consolidated Segment wise revenue and results:

(₹ in Lakhs)

Particulars	For the quarter ended			For the nine months ended		For the year ended
	December 31 2019	September 30 2019	December 31 2018	December 31 2019	December 31 2018	March 31 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<u>Income from operations</u>						
Voice Solutions	80888	87414	94356	257327	296948	387031
Data and Managed Services	329908	327960	320334	973472	894636	1217202
Payment Solutions	8744	8503	8945	26142	27266	35708
Real Estate	3828	4111	4073	11891	11235	15184
Less: Inter Segment Revenue	(496)	(712)	(761)	(1822)	(1941)	(2630)
Total	422872	427276	426947	1267010	1228144	1652495
<u>Segment result</u>						
Voice Solutions	3977	7401	6668	19606	21156	29829
Data and Managed Services	13947	18944	25416	51146	36773	41677
Payment Solutions	(67)	(1293)	(2242)	(2679)	(8148)	(10514)
Real Estate	2173	2481	2066	6838	5284	6916
Total	20030	27533	31908	74911	55065	67908
Less:						
(i) Finance Costs	11612	11571	10400	34757	29270	39655
(ii) Other un-allocable (income) net of un-allocable expenditure	(1397)	(362)	(1918)	(1995)	(2236)	(6067)
Profit before tax	9815	16324	23426	42149	28031	34320



ii. Consolidated Segment Assets and Liabilities:

(₹ in Lakhs)

Particulars	As at			
	December 31 2019	September 30 2019	December 31 2018	March 31 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Assets				
Voice Solutions	46716	52481	58153	65534
Data and Managed Services	1568220	1567160	1443955	1404434
Payment Solutions	41616	41185	40229	36969
Real Estate	43987	40327	33898	38085
	1700539	1701153	1576235	1545022
Unallocated Assets	422426	401391	462155	456254
Total Segment Assets	2122965	2102544	2038390	2001276
Segment Liabilities				
Voice Solutions	73442	65926	70028	75373
Data and Managed Services	989983	987739	847836	862361
Payment Solutions	23554	21301	14536	13402
Real Estate	21704	20139	9618	13120
	1108683	1095105	942018	964256
Unallocated Liabilities	1070822	1064937	1092371	1054625
Total Segment Liabilities	2179505	2160042	2034389	2018881

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.



Notes to consolidated financial results:

- The above consolidated unaudited results of the Group for the quarter and nine months ended December 31, 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 January 22, 2020.
- Details of exceptional items are listed below

(₹ in lakhs)

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

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 demands from Department of Telecommunications (DOT) aggregating to ₹ 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 has been submitted. On October 24, 2019, the Honorable Supreme Court has given ruling on the AGR. Subsequently, based on media reports, the Company understands that certain ISPs have got demands for payment of AGR on non-telecom income by the DOT and these ISPs have sought clarifications which is pending before Hon'ble Supreme Court. 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 and the Company's appeal is not included in the Hon'ble Supreme Court ruling of October 24, 2019. Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Supreme Court judgement. The Company has responded to the DOT denying and disputing the amounts claimed by the DOT in the demand cum show cause notice. The Company has not received any response from the DOT after the submission.
4. During the quarter ended September 30, 2019, a subsidiary domiciled abroad, has received a final VAT assessment from VAT authorities for ₹ 12397 lakhs, during the quarter ended December 31, 2019 a final penalty assessment of ₹ 14477 lakhs was also received. The Group has filed a notice of intention to appeal the final VAT and penalty assessment which is currently pending with the Economic Administrative Court. The management believes that there are grounds to defend 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) Act, 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 during the quarter ended September 30, 2019. Consequently, tax expense for the quarter ended September 30, 2019 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 on April 01, 2019. Adoption of the standard has resulted in a decrease of profit from operations before taxes for the nine months ended December 31, 2019 by ₹ 463 lakhs.
7. Previous periods' figures have been rearranged wherever necessary to conform to the current period classifications/disclosures.

For TATA COMMUNICATIONS LIMITED

AMUR S. LAKSHMINARAYANAN
MANAGING DIRECTOR & CEO

Place: Mumbai
Date: January 22, 2020

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 December 31, 2019 and year to date from April 1, 2019 to December 31, 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").
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.

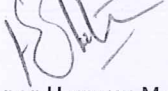


S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. As fully discussed in note 3 to the results for the period, the Company has received demands 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 6,633.43 crores. 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'). Subsequently, based on the media reports, the Company understands that certain ISPs have got demands for payment of AGR on non-telecom income by the DOT and they have sought clarifications which is pending before Hon'ble Supreme Court. 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: 20110797AAAAAC9324

Place: Mumbai
Date: January 22, 2020



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 December 31, 2019 and year to date from April 1, 2019 to December 31, 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').
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.

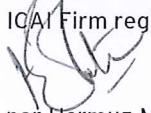
We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities as referred to in the Annexure.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of another auditor 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 demands 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 6,633.43 crores. 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'). Subsequently, based on the media reports, the Company understands that certain ISPs have got demands for payment of AGR on non-telecom income by the DOT and they have sought clarifications which is pending before Hon'ble Supreme Court. 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 26,874 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 revenues of Rs 1,515 lakhs and Rs 4,914 lakhs, Group's share of total net profit after tax of Rs 315 lakhs and Rs 1,103 lakhs, Group's share of total comprehensive income of Rs 315 lakhs and Rs 1,103 lakhs, for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, which have been reviewed by its respective independent auditor. The independent auditor's report of this subsidiary have been furnished to us and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of such subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of the above matter.
9. The accompanying Statement includes the Group's share of net profit after tax of Rs 125 lakhs and Rs 518 lakhs and total comprehensive income of Rs 122 lakhs and Rs 510 lakhs, for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 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: 20110797AAAAAD5464

Place: Mumbai

Date: January 22, 2020



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 Svcs Pte Ltd
- 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
- 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
- 56 TCTS Senegal 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 delivers steady growth in Q3

- Sequential growth in profitability, PAT of INR 58.5 crore (USD 8.2 Mn) in Q3
- Data services revenue grew by +2.8% YoY despite Q3 being a seasonally weak quarter

Mumbai - January 22nd, 2020 - [Tata Communications](#) today announces its financial results for the quarter ended December 31st, 2019

Highlights | Q3 FY2020

Data services portfolio

- Strong growth in Data business; revenue grew by +2.8% YoY on the back of steady performance across all segments. Q3 of last year had a one-time benefit of INR 91 crore because of AFA; on a normalised basis, revenue grew by +5.7% YoY.
- Data EBITDA at INR 714 crore (USD 100 Mn); down -6.9% YoY. Q3 of last year had an exceptional one-time gain of INR 210 crore which led to high EBITDA; on a normalised basis Data EBITDA has grown by 28.2% YoY.
- Growth services¹ continue to scale and witness profitable growth; revenue grew by +7.5% YoY. The company is witnessing operating leverage in this portfolio; EBITDA for the quarter came in at INR 51.1 crore as compared to a loss of INR. 32.7 crore in the same quarter last year.
- Traditional services² delivered a steady performance in revenue and profitability; revenue grew by +0.1% YoY. Within this portfolio, the India business continues to deliver strong growth after being affected by operator consolidation last year. Normalised for AFA, Traditional services grew by 4.5% YoY.

Consolidated financial highlights

- Consolidated revenue at INR 4,229 crore (USD 593.5 Mn); down -1.0% YoY due to decline in Voice business and one-time AFA benefit in Q3 of last year. Normalised growth +1.2% YoY.
- Consolidated EBITDA at INR 760.8 crore (USD 106.7 Mn); decrease of -9.7% YoY. When adjusted for one-time AFA benefit and exceptional expenses in Q3 FY19, the normalised consolidated EBITDA grew by +20.3% YoY on the back of strong growth in Traditional services and margin expansion in Growth services.
- Consolidated PAT at INR 58.5 crore as compared to a profit of INR 53.9 crore in Q2 FY20.
- CAPEX for Q3 was INR 490 crore (USD 69 Mn) as compared to INR 454 crore (USD 65 Mn) in Q2.

Consolidated Nos.	INR crore	QoQ growth	YoY growth	USD Mn	QoQ growth	YoY growth
Gross revenue	4,228.7	(1.0%)	(1.0%)	593.5	(2.2%)	(0.2%)
EBITDA	760.8	(8.7%)	(9.7%)	106.7	(9.9%)	(9.4%)
EBITDA margin	18.0%	(150 Bps)	(170 Bps)	18.0%	(150 Bps)	(170 Bps)
PAT	58.5	8.6%	(66.2%)	8.2	7.5%	(67.2%)

¹ 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.

² 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.

For immediate release

PRESS RELEASE

Commenting on the results, **A.S Lakshminarayanan, MD and CEO, Tata Communications**, said, “Our Data business continues to drive growth and profitability and we are witnessing strong growth in our Enterprise segment - both in India and internationally. New technologies are redefining customer expectations, driving change in how businesses operate and how people engage with each other and the world around them. Tata Communications plays a central role in this ecosystem - enabling digital transformation that leads to business growth, improved efficiency and better customer experience. Our endeavour is to deliver value for our customers and to drive positive cash flow and sustained profit for our stakeholders.”

Commenting on the results, **Pratibha K. Advani, Chief Financial Officer, Tata Communications**, said, “The outlook of business continues to improve, and we have delivered steady growth despite Q3 being a seasonally weak quarter. The data business continues to drive growth and profitability and strong performance across all segments has helped achieve normalised data revenue growth of 5.7% YoY, Growth services have demonstrated strong revenue and EBITDA growth.

Our best-in-class, bespoke solutions that enable customers to digitally transform, are a key differentiator, providing businesses an ability to innovate, transform and grow. The enterprise business continues to grow at a healthy pace of 8.7% and we expect growth and profitability to accelerate further in coming quarters.”

An investor fact sheet providing detailed analysis of the results for the quarter ended December 31st, 2019 has been uploaded on the Tata Communications website and can be accessed [here](#).

Business highlights | Q3 FY2020

Awards

- SDC Awards 2019: [Excellence in Service Award](#)
- Telecom Review Summit: [Best Customer Service Provider](#)
- 2019 MEF Awards (x2): [Enterprise Application - Media](#) | [SDWAN Provider of the Year](#)
- 2019 Frost & Sullivan Asia Pacific Best Practices Awards: [Asia-Pacific Managed UC Service Provider of the Year](#)
- DSCI Excellence Awards 2019: [Cyber Security Services](#)
- [Best Companies for Women in India by AVTA Group](#) (4th time in a row)

News highlights

- Tata Communications to [accelerate development in connected cars](#) with Microsoft Connected Vehicle Platform: By combining the IoT connectivity and network intelligence capabilities of Tata Communications MOVE™ with the Microsoft Connected Vehicle Platform, Tata Communications will enable automotive manufacturers to offer consumers worldwide more seamless and secure driving experiences.
- Tata Communications provides cockpit electronics leader Visteon with a fully managed software-defined wide-area network and earns [Best Supplier recognition](#): With a next-generation hybrid network and Tata Communications IZO™ SDWAN, Visteon has been able to become more agile without compromising security. This has led to an enhanced customer experience, more seamless collaboration and greater business flexibility. It has also lowered the barriers for Visteon to expand to new geographies, including emerging markets like China.
- Netfoundry spins off into a [new independent subsidiary](#) of Tata Communications: Netfoundry™, a software and business developed as part of Tata Communications’ *Shape the Future* innovation and

For immediate release

PRESS RELEASE

entrepreneurship programme, has become an independent subsidiary within the Tata Communications Group.

Leadership update

- On November 26th 2019, Tata Communications Limited [announced that it has appointed Mr. Amur Swaminathan Lakshminarayanan as the Managing Director and Chief Executive Officer \(MD & CEO\)](#) of the company, effective November 26th, 2019.
- On December 7th, 2019, Tata Communications Limited [announced that it had re-appointed Ms. Renuka Ramnath as an Independent Director of the company](#) for a second term of five years with effect from December 8th, 2019.

ENDS...

For immediate release

PRESS RELEASE

Media Contact:

Floyd Almeida
Tata Communications
+91 9892 476 208
floyd.almeida@tatacommunications.com

Investor Contact:

Vipul Garg
Tata Communications
+91 11 66257431
vipul.garg@tatacommunications.com

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

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. Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.