



HQ/CS/CL.24B/17487
April 19, 2023

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai – 400 051
SYMBOL: TATACOMM

BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 500483

Dear Sir / Madam,

Sub: Information regarding Audited Financial Results for the financial year ended March 31, 2023 and Recommendation of Dividend for the financial year ended March 31, 2023.

Pursuant to Regulation 33 read with Regulation 30 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Standalone and Consolidated Audited Financial Results of the Company for the financial year ended March 31, 2023 under Ind AS, which have been approved and taken on record at the meeting of the Board of Directors of the Company held today (**Attachment A**).

We would like to state that S.R. Batliboi & Associates, LLP, Statutory Auditors of the Company, have issued Audit Reports with an unmodified opinion on the above-mentioned audited financial results for the financial year ended March 31, 2023 (**Attachment B**).

A press release in this regard is also enclosed at (**Attachment C**).

Further, we would like to inform you that the Board of Directors has recommended a final dividend of ₹21.00 per share of the face value of Rs.10 each for the financial year ended March 31, 2023. This dividend, upon approval of the shareholders, shall be paid to eligible shareholders after conclusion of the ensuing Annual General Meeting.

The aforesaid documents are also placed on the website of the Company at www.tatacommunications.com/investors/results.

The meeting of the Board of Directors held today commenced at 1525 hours IST and concluded at 1840 hours IST.

This information is for your records.

Thanking you,

Yours faithfully,

For Tata Communications Limited

Zubin Adil Patel
Company Secretary and Compliance Officer



TATA COMMUNICATIONS

TATA COMMUNICATIONS LIMITED

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

(₹ in crores)

A. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023					
Particulars	For the quarter ended			For the year ended	
	March 31 2023	December 31 2022	March 31 2022	March 31 2023	March 31 2022
	(Refer note 2)	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
1 Income from operations	4,568.66	4,528.34	4,263.03	17,838.26	16,724.73
2 Other income, net	61.79	30.75	263.52	363.15	332.09
3 Total income (1 + 2)	4,630.45	4,559.09	4,526.55	18,201.41	17,056.82
4 Expenses					
a. Network and transmission expense	1,638.66	1,615.97	1,540.39	6,375.49	6,199.49
b. Employee benefits expense	999.61	920.81	768.38	3,597.46	3,040.34
c. Finance costs	132.11	122.67	89.77	432.46	360.25
d. Depreciation and amortisation expense	618.50	554.82	588.72	2,261.81	2,204.54
e. Other expenses	896.17	914.20	908.92	3,547.08	3,258.18
Total expenses (4a to 4e)	4,285.05	4,128.47	3,896.18	16,214.30	15,062.80
5 Profit before exceptional items, tax & share in profit of associates (3 - 4)	345.40	430.62	630.37	1,987.11	1,994.02
6 Exceptional items (Refer note 3)	-	-	(20.89)	76.35	5.96
7 Profit before tax and share in profit of associates (5 + 6)	345.40	430.62	609.48	2,063.46	1,999.98
8 Tax expense/(benefit): (Refer note 6 and 7)					
a. Current tax	80.14	94.50	122.02	432.77	431.31
b. Deferred tax	(52.09)	(50.92)	121.25	(136.15)	90.82
9 Profit/(loss) before share in profit of associates (7 - 8)	317.35	387.04	366.21	1,766.84	1,477.85
10 Share in Profit of associates	9.29	8.11	2.46	34.03	6.82
11 Profit for the period/year (9 + 10)	326.64	395.15	368.67	1,800.87	1,484.67
Attributable to:					
Equity holders of the parent	326.03	393.88	365.06	1,795.96	1,481.76
Non-controlling interest	0.61	1.27	3.61	4.91	2.91
12 Other Comprehensive Income/(loss) (net of tax)	11.01	(120.01)	(64.92)	(615.34)	(270.63)
13 Total Comprehensive income for the period/year (11+12)	337.65	275.14	303.75	1,185.53	1,214.04
Attributable to:					
Equity holders of the parent	337.04	273.87	300.14	1,180.62	1,211.13
Non-controlling interest	0.61	1.27	3.61	4.91	2.91
14 Paid up equity share capital (Face value of ₹10 per share)	285.00	285.00	285.00	285.00	285.00
15 Reserves excluding Revaluation reserve				1,027.19	436.53
16 Earnings per share (of ₹ 10/- each) (not annualised)					
Basic and diluted earnings per share (₹)	11.44	13.82	12.81	63.02	51.99



TATA COMMUNICATIONS

B. Consolidated Business Segment Information:

i. Consolidated Segment wise revenue and results:

(₹ in crores)

Particulars	For the quarter ended			For the year ended	
	March 31 2023	December 31 2022	March 31 2022	March 31 2023	March 31 2022
	(Refer note 2)	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
Income from operations					
Voice Solutions	462.43	505.84	536.93	2,054.16	2,286.36
Data Services	3,687.51	3,608.66	3,316.00	14,156.91	12,842.06
Payment Solutions	45.95	49.63	42.56	185.36	164.60
Transformation Services	367.94	357.98	364.32	1,417.78	1,411.41
Real Estate	50.75	49.69	51.19	200.87	192.94
Less: Inter Segment Revenue	(45.92)	(43.46)	(47.97)	(176.82)	(172.64)
Total	4,568.66	4,528.34	4,263.03	17,838.26	16,724.73
Segment result					
Voice Solutions	78.99	77.92	24.13	301.37	120.07
Data Services	296.47	424.55	403.78	1,667.22	1,888.72
Payment Solutions	4.67	(14.40)	(17.05)	(44.64)	(60.23)
Transformation Services	9.91	11.08	14.12	30.86	(49.16)
Real Estate	25.68	23.39	31.64	101.61	122.78
Total	415.72	522.54	456.62	2,056.42	2,022.18
Less:					
(i) Finance Costs	132.11	122.67	89.77	432.46	360.25
(ii) Other un-allocable (income) net of un-allocable expenditure	(61.79)	(30.75)	(242.63)	(439.50)	(338.05)
Profit before tax and share of profit of associates	345.40	430.62	609.48	2,063.46	1,999.98



TATA COMMUNICATIONS

ii. Consolidated Segment Assets and Liabilities:

(₹ in crores)

Particulars	As at		
	March 31 2023	December 31 2022	March 31 2022
	(Audited)	(Unaudited)	(Audited)
Segment Assets			
Voice Solutions	349.34	394.55	313.51
Data Services	13,779.05	13,812.80	13,543.53
Payment Solutions	203.43	227.10	257.41
Transformation Services	460.63	465.17	633.70
Real Estate	438.34	448.69	420.36
	15230.79	15,348.31	15,168.51
Unallocated Assets	5,321.83	4,847.54	4,499.46
Total Segment Assets	20,552.62	20,195.85	19,667.97
Segment Liabilities			
Voice Solutions	457.48	474.82	525.93
Data Services	9,072.49	8,914.78	8,517.40
Payment Solutions	276.15	297.28	251.10
Transformation Services	352.78	348.58	386.86
Real Estate	106.08	109.15	96.87
	10,264.98	10,144.61	9,778.16
Unallocated Liabilities	8,739.04	8,840.27	8,933.73
Total Segment Liabilities	19,004.02	18,984.88	18,711.89

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 Services, Payment Solutions, Transformation services and Real Estate. The composition of the operating segments is as follows:

Voice Solutions includes International and National Long Distance Voice services.

Data Services includes Core and Nextgen Connectivity services, Digital platforms and connected 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.

Transformation Services includes the business of providing telecommunication network management and support services. These services are carried out by the Company's wholly owned subsidiary Tata Communications Transformation Services Limited and its subsidiaries.

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



TATA COMMUNICATIONS

C. Statement of Consolidated Assets and Liabilities:

(₹ in Crores)

Particulars	As at	As at
	March 31 2023	March 31 2022
	(Audited)	(Audited)
<u>ASSETS</u>		
Non-current assets		
(a) Property, plant and equipment	7,459.80	7,768.61
(b) Capital work-in-progress	1,003.37	778.68
(c) Right-of-use assets	996.80	1,148.76
(d) Investment property	397.01	376.47
(e) Investment property under development	-	19.85
(f) Goodwill	115.05	108.28
(g) Other intangible assets	1,530.92	1,514.23
(h) Intangible assets under development	144.69	73.78
(i) Financial assets		
(i) Investments		
(a) Investments in associates	1,019.69	895.10
(b) Other investments	171.30	237.33
(ii) Other financial assets	146.80	126.02
(j) Deferred tax assets (net) (Refer note 6)	355.17	217.27
(k) Non-current tax assets	1,268.51	1,369.52
(l) Other non-current assets	132.52	164.29
Total Non-current assets	14,741.63	14,798.19
Current assets		
(a) Inventories	160.00	37.88
(b) Financial assets		
(i) Other investments	759.56	432.80
(ii) Trade receivables	2,734.99	2,582.13
(iii) Cash and cash equivalents	1,004.48	696.86
(iv) Bank balances other than (iii) above	58.09	46.53
(v) Other financial assets	146.40	105.98
(c) Other current assets	691.12	815.32
	5,554.64	4,717.50
Assets classified as held for sale	256.35	152.28
Total Current assets	5,810.99	4,869.78
TOTAL ASSETS	20,552.62	19,667.97



TATA COMMUNICATIONS

C. Statement of Consolidated Assets and Liabilities:

(₹ in Crores)

Particulars	As at	As at
	March 31 2023	March 31 2022
	(Audited)	(Audited)
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	285.00	285.00
(b) Other equity	1,233.26	642.59
Equity attributable to equity holders of the parent	1,518.26	927.59
Non-controlling interests	30.34	28.49
Total Equity	1,548.60	956.08
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,008.58	5,990.92
(ia) Lease liabilities	771.58	955.72
(ii) Other financial liabilities	132.59	49.18
(b) Provisions	687.56	645.36
(c) Deferred tax liabilities (net)	33.31	30.46
(d) Other non-current liabilities	2,584.46	2,609.60
Total Non-current liabilities	9,218.08	10,281.24
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,524.90	1,905.87
(ia) Lease liabilities	271.58	269.03
(ii) Trade payables	3,277.21	3,006.46
(iii) Other financial liabilities	913.47	717.76
(b) Provisions	159.61	121.28
(c) Current tax liabilities (net)	614.30	486.60
(d) Other current liabilities	2,024.84	1,919.13
Total Current liabilities	9,785.91	8,426.13
Liabilities relating to assets held for sale	0.03	4.52
TOTAL EQUITY AND LIABILITIES	20,552.62	19,667.97



TATA COMMUNICATIONS

D. Statement of Consolidated Cash Flow:

(₹ in Crores)

	Particulars	For the year ended	
		March 31, 2023 (Audited)	March 31, 2022 (Audited)
1	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit from operations before tax and share of profit of associates for the period	2,063.46	1,999.98
	Adjustments for:		
	Depreciation and amortisation expense	2,261.81	2,204.54
	Gain on disposal of property, plant and equipment (net)	(6.00)	(4.33)
	Gain on disposal of assets held for sale (exceptional item, advance received in previous year ₹ 5.92 crores)	(46.74)	-
	Gain on modification/ termination of lease	(6.53)	(3.59)
	Interest income on financial assets carried at amortised cost	(18.00)	(6.45)
	Finance cost	432.46	360.25
	Provision for litigation (exceptional item)	(29.61)	-
	Bad debts written off	46.32	23.12
	Allowance for trade receivables	(41.82)	(10.56)
	Provision for inventories and CWIP	46.46	2.71
	Allowance for doubtful advances	(0.80)	0.52
	Gain on investments carried at fair value through profit or loss (net)	(28.40)	(29.42)
	Reversal of liability towards decommissioning cost	(11.52)	-
	Exchange fluctuation	(17.81)	(16.48)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,643.28	4,520.29
	Adjustment for (increase)/decrease in operating assets		
	Inventories	(120.87)	(5.41)
	Trade receivables	(67.82)	52.67
	Other assets	178.22	(23.18)
	Adjustment for increase/(decrease) in operating liabilities		
	Trade payables	133.09	(296.70)
	Other liabilities	(180.90)	(160.10)
	Provisions	(20.38)	(39.07)
	Adjustment of translation differences on working capital	23.51	66.63
	Cash generated from operations before tax	4,588.13	4,115.13
	Income tax refund/(paid) (net)	(203.78)	88.69
	NET CASH FLOW FROM OPERATING ACTIVITIES	4,384.35	4,203.82



TATA COMMUNICATIONS

D. Statement of Consolidated Cash Flow:

(₹ in Crores)

	Particulars	For the year ended	
		March 31, 2023 (Audited)	March 31, 2022 (Audited)
2	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment to purchase of property, plant and equipments and intangible assets	(1,493.14)	(1,656.44)
	Proceeds from disposal of property, plant and equipments and intangible assets	8.12	6.20
	Proceeds from disposal of asset held for sale	41.67	3.44
	Purchase of investments in associates	(90.51)	(169.59)
	Purchase of non-current investments	(1.84)	(29.56)
	Purchase of current investments	(7,608.75)	(6,071.27)
	Proceeds from sale of current investments	7,299.27	6,950.32
	Fixed deposits liquidated/(placed)	43.07	65.04
	Earmarked funds	(50.80)	(0.22)
	Interest received	11.28	7.11
	NET CASH FLOW USED IN INVESTING ACTIVITIES	(1,841.63)	(894.97)
3	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from Short-term borrowings	-	1,098.61
	Repayment of Short-term borrowings	(341.50)	(1,435.78)
	Proceeds from Long-term borrowings	1,239.38	3,418.07
	Repayment of Long-term borrowings	(1,844.29)	(5,498.80)
	Repayment of lease liabilities	(352.67)	(364.11)
	Dividends paid	(589.95)	(399.00)
	Dividends paid to non-controlling interest	(3.06)	(2.59)
	Finance cost	(348.71)	(247.63)
	NET CASH FLOW FROM USED IN FINANCING ACTIVITIES	(2,240.80)	(3,431.23)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	301.92	(122.38)
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	696.86	817.85
	Exchange difference on translation of foreign currency cash and cash equivalents	5.70	1.39
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	1,004.48	696.86
i	Figures in brackets represent outflows		

Notes to consolidated financial results:

- The above consolidated results of the Group for the financial year ended March 31, 2023 were taken on record and approved by the Board of Directors at their meeting held on April 19, 2023. These results have been reviewed by the audit committee and audited by the statutory auditors.



TATA COMMUNICATIONS

- The figures of the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2022 and December 31, 2021 respectively, which were subjected to limited review by the statutory auditors.
- Details of exceptional items are listed below

(₹ in crores)

Particulars	For the quarter ended			For the year ended	
	March 31 2023	December 31 2022	March 31 2022	March 31 2023	March 31 2022
1. Gain on sale of assets held for sale (Refer note a)	-	-	-	46.74	-
2. Provision for Litigation (Refer note b)	-	-	(35.98)	29.61	(35.98)
3. Staff cost optimization (Refer note c)	-	-	15.09	-	31.86
4. Insurance claim (Refer note d)	-	-	-	-	10.08
Total	-	-	(20.89)	76.35	5.96

- The Group concluded the sale off few of its properties, for a total consideration of ₹ 47.59 crores (net of transaction costs) resulting into a gain of ₹ 46.74 crores.
 - During the year ended March 31, 2022, based upon managements' assessment, the Group made a provision of ₹ 35.98 crores against a pending litigation in one of its international subsidiary. During the current year, the Group entered into a settlement agreement for this litigation and accordingly, the Group reversed a provision of ₹ 29.61 crores.
 - The Group had reversed certain provisions with respect to Staff cost optimization based on final settlement.
 - The Group recognised an amount of ₹ 10.08 crores based on final settlement of the claim against loss caused due to malfunctioning of the fire suppression system in earlier years.
- During the quarter ended September 30, 2019, the Company received demands from "the Department of Telecommunications" (DoT) aggregating to ₹ 6,633.43 crores towards License Fees on its "Adjusted Gross Revenue" (AGR) for the financial years 2006-07 till 2017-18 in respect of its ILD, NLD and ISP licenses.

In October 2022, the Company received "Revised Show Cause cum Demand Notices" (Notices) aggregating to ₹ 4,980.56 crores for the above mentioned financial years, except FY 2010-11 for ISP license, and FYs 2006-07 & FY 2009-10 for NLD licenses. These Notices replaces the earlier Demand issued during the quarter ended September 30, 2019. In its assessment, DoT accepted the Company's submissions along with relevant certificates in respect of disallowed deductions in the demands issued during 2019.

During the quarter ended December 31, 2022, the Company has made suitable representations to the Notices, showing cause as to why these demands are not sustainable.

The Company has existing appeals relating to its ILD, NLD & ISP 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 appeals are not covered by the Hon'ble Supreme Court's judgment dated October 24, 2019, on AGR under UASL. Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Hon'ble Supreme Court judgement of October 24, 2019. The Company believes that it will be able to defend its position and had obtained independent legal opinions in this regard.

The earlier demands which are not revised amounts to ₹ 194.22 crores of which ₹ 166.04 crores is considered remote since the deduction on payment basis is not considered by DoT. Accordingly, the Company has disclosed ₹ 5,008.74 crores (₹ 4,980.56 crores and ₹ 28.18 crores) as part of contingent liability.

Also, the DOT has amended the definition of Gross Revenue (GR) / AGR in the Unified License and including licenses held by the Company. The new definition allows for deduction of revenue from activities other than telecom activities /



TATA COMMUNICATIONS

operations which is less than 20% of the total revenue from operations. The Association of Internet Service Providers has written to the DOT, seeking clarification on certain non-licensed services that it provides and in the interim, the Company has considered the revenue from such services under the deduction provided by the new definition. The Company also obtained independent legal view in this regard.

5. During the year ended March 31, 2020, a subsidiary domiciled abroad, received a final VAT assessment from VAT authorities for ₹ 138.64 crores (EUR 15.5 Mn) and a final penalty assessment of ₹ 161.86 crores (EUR 18.1 Mn). On July 1, 2020, the Group filed its grounds for appeal with the Economic Administrative Court towards the final VAT and penalty assessments. On March 29, 2022, the Economic Administrative Court notified its resolution, finding against the Group and dismissing the appeal against the VAT and penalty assessments. The Group lodged a contentious-administrative appeal before the National Court on May 24, 2022. Additionally, the Group filed a request for the suspension of the final VAT and penalty assessment payment pending the outcome of the appeal, which was granted. The parties' have completed their submissions to the National Court. As a result, the National Court declared the proceedings closed on November 25, 2022 and the Group awaits the National Court's decision. The Group believes that there are grounds to defend its position and has accordingly disclosed ₹ 300.50 crores (EUR 33.6 Mn) as contingent liability.
6. During the current year, the management assessed the certainty of future taxable profits in certain international subsidiaries based on which the Group recognised Deferred Tax Asset of ₹ 61.08 crores for the quarter ended March 31, 2023, ₹ 29.70 crores for quarter ended December 31, 2022 and ₹ 120.48 crores for the year ended March 31, 2023.
7. During the year ended March 31, 2022, pursuant to the conclusion of agreement between the Company and Central Board of Direct Taxes, the Company had charged incremental guarantee fees and letter of comfort fees to its subsidiaries. Accordingly, tax expense (including interest) for the year ended March 31, 2022, includes an amount of ₹ 25.38 crores for the earlier periods of which ₹ 23.95 crores is for the previous years.
8. During the year ended March 31, 2023, the Group, through its wholly owned international subsidiary, entered into a definitive agreement to acquire 100% stake in The Switch Enterprises LLC. and certain of its international assets for a value of approximately ₹ 483 crores (USD 58.80 Mn). The closing of the transaction is dependent upon regulatory approvals. Accordingly, the financial results for the quarter and year ended March 31, 2023 do not include any impact of such acquisition.
9. One of the Group's wholly owned Indian subsidiary has significant part of the 'revenue from operations' for the year ended March 31, 2023 and trade receivables outstanding (including unbilled revenue) as at March 31, 2023 from a large customer. The customer in its declared unaudited results for quarter ended December 31, 2022, had expressed its ability to continue as a going concern, to be dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Further, the results stated that as at December 31, 2022, the said customer has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest and has utilized extended credit period to discharge some of its contractual obligations. The said customer continues to be in discussion with its vendors to agree to a payment plan for the outstanding dues. Also, during February 2023, the said customer allotted equity shares to the Department of Investment and Public Asset Management, Government of India (GOI), towards conversion of net present value of the interest amount relating to deferment of certain dues and accordingly GOI now holds 33.44 % in the said customer.

As at March 31, 2023, the carrying amount of trade receivables (including unbilled revenue and net of provisions) from the said customer was ₹ 171.50 crores and ₹ 197.38 crores as on March 31, 2023 and March 31, 2022 respectively. The Group believes that the balance is good and recoverable basis its on-going interactions with that customer.
10. The Board of Directors at its meeting held on April 19, 2023 proposed a dividend of ₹ 21 per equity share (Previous year ₹ 20.7 per equity share).



TATA COMMUNICATIONS

TATA COMMUNICATIONS LIMITED

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

(₹ in crores)

E. STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023					
Particulars	For the quarter ended			For the year ended	
	March 31 2023	December 31 2022	March 31 2022	March 31 2023	March 31 2022
	(refer note 2)	(Unaudited)	(refer note 2)	(Audited)	(Audited)
1 Income from operations	1,897.36	1,843.54	1,725.28	7,236.28	6,587.35
2 Other income, net (refer note 5)	96.44	75.32	298.73	497.02	558.49
3 Total Income (1+2)	1,993.80	1,918.86	2,024.01	7,733.30	7,145.84
4 Expenses					
a. Network and transmission expense	697.27	638.61	640.99	2,511.53	2,238.61
b. Employee benefits expense	415.79	399.69	322.43	1,553.18	1,279.22
c. Finance costs	20.42	21.31	20.50	90.04	88.59
d. Depreciation and amortisation expense	294.56	236.99	237.59	996.03	916.14
e. Other expenses	319.28	344.02	318.28	1,325.47	1,113.74
f. Total expenses (4a to 4e)	1,747.32	1,640.62	1,539.79	6,476.25	5,636.30
5 Profit before exceptional items and tax (3 - 4)	246.48	278.24	484.22	1,257.05	1,509.54
6 Exceptional items (refer note 3)	(322.76)	-	0.70	(276.02)	10.78
7 Profit / (Loss) before tax (5 + 6)	(76.28)	278.24	484.92	981.03	1,520.32
8 Tax expense / (benefit): (refer note 5)					
a. Current tax	63.66	71.70	98.96	325.51	333.00
b. Deferred tax	(2.16)	(2.41)	29.46	(10.63)	20.00
9 Profit / (Loss) for the period/ year (7 - 8)	(137.78)	208.95	356.50	666.15	1,167.32
10 Other Comprehensive Income / (Loss) (net of tax)	(3.03)	(6.56)	2.75	(17.50)	(32.22)
11 Total Comprehensive Income / (Loss) for the period/ year (9 + 10)	(140.81)	202.39	359.25	648.65	1,135.10
12 Paid up equity share capital (Face value of ₹ 10 per share)	285.00	285.00	285.00	285.00	285.00
13 Reserves excluding Revaluation reserve				9,370.27	9,311.57
14 Net worth				9,861.33	9,802.63
15 Earnings per share (of ₹ 10/- each) (not annualised)					
Basic and diluted earnings per share (₹)	(4.83)	7.33	12.51	23.37	40.96



TATA COMMUNICATIONS

F. Standalone Business Segment Information:

i. Segment wise revenue and results:

(₹ in crores)

Particulars	For the quarter ended			For the year ended	
	March 31 2023	December 31 2022	March 31 2022	March 31 2023	March 31 2022
	(refer note 2)	(Unaudited)	(refer note 2)	(Audited)	(Audited)
Income from Operations					
Voice Solutions	18.45	17.58	18.01	72.07	90.12
Data and Managed Services	1,828.93	1,777.19	1,657.10	6,966.90	6,309.83
Real Estate	49.98	48.77	50.17	197.31	187.40
Total	1,897.36	1,843.54	1,725.28	7,236.28	6,587.35
Segment result					
Voice Solutions	(52.75)	(63.65)	(50.73)	(217.92)	(190.02)
Data and Managed Services	193.18	259.62	224.49	957.55	1,106.74
Real Estate	30.03	28.26	32.23	110.44	122.92
Total	170.46	224.23	205.99	850.07	1,039.64
Less :					
(i) Finance Costs	20.42	21.31	20.50	90.04	88.59
(ii) Other un-allocable (income) net of un-allocable expenses	226.32	(75.32)	(299.43)	(221.00)	(569.27)
Profit/(Loss) before taxes	(76.28)	278.24	484.92	981.03	1,520.32

ii. Segment Assets and Liabilities:

(₹ in crores)

Particulars	As at		
	March 31 2023 (Audited)	December 31 2022 (Unaudited)	March 31 2022 (Audited)
Segment Assets			
Voice Solutions	72.46	74.20	71.11
Data and Managed Services	6,749.03	6,695.66	6,390.27
Real Estate	452.19	463.41	433.91
Unallocable Assets	7,991.60	8,095.15	7,825.15
Total Assets	15,265.28	15,328.42	14,720.44
Segment Liabilities			
Voice Solutions	147.39	149.48	124.51
Data and Managed Services	3,565.62	3,479.87	3,270.61
Real Estate	105.90	108.58	95.17
Unallocable Liabilities	1,585.04	1,588.35	1,427.52
Total Liabilities	5,403.95	5,326.28	4,917.81



TATA COMMUNICATIONS

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.

G. Statement of Standalone Assets and Liabilities as at March 31, 2023

(₹ in crores)

Particulars	As at	As at
	March 31 2023	March 31 2022
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	3,609.59	3,697.98
(b) Capital work-in-progress	608.88	416.59
(c) Right of Use Asset	465.09	457.18
(d) Investment property	406.10	386.18
(e) Other Intangible assets	523.96	499.26
(f) Intangible assets under development	92.39	31.11
(g) Investment property under development	-	19.85
(h) Financial assets		
(i) Investments	3,725.06	3,856.88
(ii) Loans	1,206.63	79.46
(iii) Other financial assets	134.42	137.30
(i) Deferred tax assets (net)	328.96	318.98
(j) Non - current tax assets (net)	1,187.33	1,266.35
(k) Other Non-current assets	105.80	128.34
Total Non-current assets	12,394.21	11,295.46
Current assets		
(a) Inventories	115.34	17.77
(b) Financial assets		
(i) Other Investments	691.84	419.76
(ii) Trade receivables	1,162.27	1,103.51
(iii) Cash and cash equivalents	252.11	98.78
(iv) Bank balances other than (iii) above	52.83	1.96
(v) Loans	-	1,114.15
(vi) Other financial assets	115.22	150.26
(c) Other Current assets	326.52	366.51
	2,716.13	3,272.70
Assets classified as held for sale	154.94	152.28
Total Current assets	2,871.07	3,424.98
TOTAL ASSETS	15,265.28	14,720.44



TATA COMMUNICATIONS

G. Statement of Standalone Assets and Liabilities as at March 31, 2023

Particulars	(₹ in crores)	
	As at	As at
	March 31 2023	March 31 2022
	(Audited)	(Audited)
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	285.00	285.00
(b) Other equity	9,576.33	9,517.63
	9,861.33	9,802.63
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	6.22	533.87
(ia) Lease liabilities	373.87	363.04
(ii) Other financial liabilities	23.55	47.47
(b) Provisions	268.32	273.96
(c) Other non - current liabilities	464.42	385.14
Total Non-current liabilities	1,136.38	1,603.48
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	530.62	4.33
(ia) Lease liabilities	50.93	46.64
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	11.57	3.06
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,387.30	1,312.22
(iii) Other financial liabilities	695.20	522.58
(b) Provisions	104.19	71.42
(c) Current tax liability (net)	542.61	424.00
(d) Other current liabilities	945.12	925.56
Total Current liabilities	4,267.54	3,309.81
Liabilities for assets classified as held for sale	0.03	4.52
	4,267.57	3,314.33
TOTAL EQUITY AND LIABILITIES	15,265.28	14,720.44



TATA COMMUNICATIONS

H. Statement of Standalone Cash Flow Statement:

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit/(Loss) before tax	981.03	1,520.32
Adjustments for non cash items:		
Depreciation and amortization	996.03	916.14
Interest income	(73.45)	(28.47)
Finance cost	90.04	88.59
Provision for diminution in the fair value of investment (exceptional item)	322.76	-
Gain on disposal of assets held for sale (exceptional item, advance received in previous year ₹ 5.92 crores)	(46.74)	-
Gain on investments at fair value through profit and loss (net)	(26.58)	(27.59)
Dividend income	(26.44)	(130.45)
Unrealised foreign exchange gain/ (loss) (net)	(9.50)	(7.54)
Allowance for doubtful trade receivables	(14.75)	(21.18)
Gain on modification/ termination of lease	-	(3.28)
Provision for inventories and capital work-in-progress	3.97	2.71
Allowance for doubtful advances	(0.09)	1.10
Bad Debts written off	21.65	4.67
(Gain)/ loss on disposal of property, plant and equipment (net)	(5.67)	(5.13)
Operating Profit before working capital changes	2,212.26	2,309.89
Adjustment for increase/(decrease) in working capital:		
Inventories	(101.09)	(2.29)
Trade receivables	(83.70)	2.84
Other assets	80.67	(73.79)
Trade payables	88.92	(216.71)
Other liabilities	22.73	120.82
Provisions	(10.07)	(39.24)
Cash generated from operations before tax	2,209.72	2,101.52
Income tax refund/(paid) (net)	(122.52)	71.51
Net cash flows from operating activities	2,087.20	2,173.03
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,019.39)	(1,223.79)
Proceeds from disposal of property, plant and equipment and intangible assets	6.25	5.33
Proceeds from disposal of assets held for sale	41.67	-
Purchase of non-current investments	(190.94)	(279.60)
Purchase of current investments	(7,228.30)	(5,945.75)
Proceeds from sale of current investments	6,993.86	6,712.36
Loan given to subsidiaries	-	(1,230.95)
Loan repaid by subsidiaries	90.22	45.54
Advance received towards assets held for sale	10.00	3.67
Dividend income from subsidiaries	26.44	130.45
Fixed deposits	-	50.00
Proceeds from transfer of business to subsidiary (refer note 6)	50.82	-
Interest received	46.00	24.62
Earmarked funds	(50.80)	(0.22)
Net cash flows used in investing activities	(1,224.17)	(1,708.34)



TATA COMMUNICATIONS

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	-	2.66
Repayment of short-term borrowings	-	(49.33)
Proceeds from long-term borrowings	3.57	7.52
Repayment of long-term borrowings	(5.85)	(5.25)
Proceeds from sublease	5.45	5.21
Repayment of lease liabilities	(83.32)	(84.74)
Dividend paid	(589.95)	(399.00)
Interest paid	(39.60)	(40.48)
Net cash flows used in financing activities	(709.70)	(563.41)
Net Increase /(Decrease) in cash and cash equivalents	153.33	(98.72)
Cash and cash equivalents as at the beginning of the year	98.78	197.50
Cash and cash equivalents as at the end of the year	252.11	98.78
i. Figures in brackets represent outflows		

I. Additional information pursuant to Regulation 54(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended for the quarter and year ended March 31, 2023

	For the quarter ended			For the year ended	
	March 31 2023	December 31 2022	March 31 2022	March 31 2023	March 31 2022
1. Operating Margin (%) Earnings before exceptional items, Interest and Tax/ Income from Operations	8.98%*	12.16%	11.94%	11.75%	15.78%
2. Net Profit Margin (%) Profit/(Loss) for the period/ Income from Operations	(7.26)%*	11.33%	20.66%	9.21%*	17.72%
3. Interest service coverage ratio (no. of times) Earning before exceptional items, interest, depreciation and amortization and tax (EBITDA) / Finance costs	22.77	21.64	21.64	20.50	22.08

* Refer note 3 (d)



TATA COMMUNICATIONS

	As at March 31 2023	As at March 31 2022
1. Asset coverage ratio (no. of times) (Property, plant and equipment + Capital work in progress + Investment property + Other intangible assets + Intangible assets under development + Investment property under development) / Total Debt	9.76	9.38
2. Debt Equity ratio Total Debt (Long term borrowings + Short term borrowings (including Current maturities of long term borrowings)) / Equity	0.05	0.05
3. Debt service coverage ratio (no. of times) EBITDA/ (Finance costs + Short term borrowings (including Current maturities of long term borrowings))	2.97**	21.05
4. Current Ratio (no. of times) Total Current Assets/ Total Current Liabilities	0.67***	1.03
5. Bad debts to Accounts receivables ratio (%) Bad debts written off/ Average Trade receivables	1.91%#	0.43%
6. Current Liability ratio (no. of times) Total Current Liabilities/ Total Equity and Liabilities	0.28	0.23
7. Total Debt to Total Assets Total Debt/ Total Assets	0.04	0.04
8. Debtors turnover (no. of times) Income from Operations/ Average Trade receivables	6.39	6.01
9. Long term debt to working capital (Long term borrowings/ (Total Current Assets – Total Current Liabilities))	(0.004)***	4.82

** Decreased due to reclassification of unsecured debentures from non-current to current as per repayment terms

*** Decreased mainly due to reclassification of loan given to subsidiary from current to non – current and reclassification of unsecured debentures from non-current to current as per repayment terms.

#Bad debts written off ₹ 21.65 crores (2021-22-₹ 4.67 crores)

Notes to standalone financial results:

- The above standalone financial results of the Company for the financial year ended March 31, 2023 were taken on record and approved by the Board of Directors at their meeting held on April 19, 2023. These results have been reviewed by the audit committee and audited by the statutory auditors.
- The figures of the quarters ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2022 and December 31, 2021 respectively, which were subjected to limited review by the statutory auditors.



TATA COMMUNICATIONS

3. Details of exceptional items are listed below:

(₹ in crores)

PARTICULARS	For the quarter ended			For the year ended	
	March 31 2023	December 31 2022	March 31 2022	March 31 2023	March 31 2022
1. Staff cost optimization (refer note a)	-	-	0.70	-	0.70
2. Insurance claim (refer note b)	-	-	-	-	10.08
3. Gain on sale of fixed assets held for sale (refer note c)	-	-	-	46.74	-
4. Diminution in fair value of investment in subsidiary (refer note d)	(322.76)	-	-	(322.76)	-
Total	(322.76)	-	0.70	(276.02)	10.78

- The Company has reversed certain provisions with respect to Staff cost optimisation based on final settlement.
 - The Company recognized an amount of ₹ 10.08 crores based on final settlement of claim against loss caused due to malfunctioning of the fire suppression system in earlier years.
 - The Company concluded the sale of few of its properties for a total consideration of ₹ 47.59 crores (net of transaction cost) resulting into a gain of ₹ 46.74 crores.
 - The Company has investment in its wholly owned subsidiary Tata Communications Payment Solutions Limited. During the quarter and year ended March 31, 2023, there has been a diminution in the fair value of the investment resulting into a loss of ₹ 322.76 crores.
4. During the quarter ended September 30, 2019, the Company received demands from “the Department of Telecommunications” (DOT) aggregating to ₹ 6,633.43 crores towards License Fee on its “Adjusted Gross Revenue” (AGR) for the financial years 2006-07 till 2017-18 in respect of its ILD, NLD and ISP licenses.

In October 2022, the Company received “Revised Show Cause cum Demand Notices” (Notices) aggregating to ₹ 4,980.56 crores for the above mentioned financial years, except FY 2010-11 for ISP license and FY 2006-07 & FY 2009-10 for NLD Licenses. These notices replaces the earlier Demand issued during the quarter ended September 30, 2019. In its assessment, DoT accepted the Company’s submissions along with relevant certificates in respect of disallowed deductions in the demands issued during 2019.

During the quarter ended December 31, 2022, the Company has made suitable representations to the Notices, showing cause as to why these demands are not sustainable.

The Company has existing appeals relating to its ILD, NLD & ISP 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 appeals are not covered by the Hon’ble Supreme Court judgement dated October 24, 2019, on AGR under UASL. Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Hon’ble Supreme Court judgement of October 24, 2019. The Company believes that it will be able to defend its position and had obtained independent legal opinions in this regard.

The earlier demands which are not revised amounts to ₹ 194.22 crores of which ₹ 166.04 crores is considered remote since the deduction on payment basis is not considered by DoT. Accordingly, the Company has disclosed 5,008.74 crores (₹ 4,980.56 crores and ₹ 28.18 crores) as part of contingent liability.

Also, the DOT has amended the definition of Gross Revenue (GR) / AGR in the Unified License and including licenses held by the Company. The new definition allows for deduction of revenue from activities other than telecom activities / operations which is less than 20% of the total revenue from operations. The Association of Internet Service Providers has written to the DOT, seeking clarification on certain non-licensed services that it provides and in the interim, the Company has considered the revenue from such services under the deduction provided by the new definition. The Company also obtained independent legal view in this regard.



TATA COMMUNICATIONS

5. During the quarter ended March 31, 2022, pursuant to the conclusion of agreement between the Company and Central Board of Direct Taxes, the Company had charged incremental guarantee fees and letter of comfort fees to its subsidiaries. Accordingly, other income and tax expense (including interest) for the year ended March 31, 2022 included an amount of ₹ 25.38 crores for the earlier periods of which ₹ 23.95 crores is for the previous years.
6. During the quarter ended December 31, 2022, the Company entered into a business transfer agreement for transfer of the Company's non-network "Internet of Things" business to its wholly-owned Indian subsidiary effective January 1, 2023 for a consideration of ₹ 50.82 crores. This transaction does not have significant impact on the standalone financials results and is accordingly not disclosed as a discontinuing operation.
7. The Board of Directors at its meeting held on April 19, 2023 proposed a dividend of ₹ 21 per equity share (Previous year ₹ 20.7 per equity share)

For TATA COMMUNICATIONS LIMITED

AMUR
SWAMINATHAN
LAKSHMINARAYAN
AN

Digitally signed by
AMUR
SWAMINATHAN
LAKSHMINARAYANAN

Place: Mumbai
Date: April 19, 2023

A. S. LAKSHMINARAYANAN
MANAGING DIRECTOR & CEO

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Tata Communications Limited

Report on the audit of the Standalone Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Tata Communications Limited (the "Company") for the quarter and for the year ended March 31, 2023 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2023 and of the net profit and other comprehensive loss and other financial information of the Company for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter paragraph

As fully discussed in note 4 to the standalone financial results for the quarter and year ended March 31, 2023, the Company had received demands during the period ended September 30, 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. In October 2022, the Company received revised demands for certain periods (included in the aforesaid) aggregating to Rs 5,174.78 crores. The Company has disclosed Rs 5,008.74 crores as part of contingent liability and believes that the likelihood of the demand Rs 166.04 crores materializing is remote. Also, pending clarification on the new AGR definition from the



Tata Communications Limited

Audited Standalone Results for the quarter and year ended March 31, 2023

DOT, the Company has considered its non-licenced services outside the purview of the revised AGR definition effective October 1, 2021. The Company believes that it has grounds to defend its above positions and has also obtained independent legal opinions in this regard and accordingly, no provision has been made in the accompanying results. Our conclusion is not modified in this regard.

Management’s Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible



Tata Communications Limited

Audited Standalone Results for the quarter and year ended March 31, 2023

for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures for the nine months ended December 31, 2022, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

HORMUZ
ERUCH
MASTER

Digitally signed by HORMUZ
ERUCH MASTER
DN: cn=HORMUZ ERUCH
MASTER, c=IN, o=Personal,
email=hormuz.master@srb.in
Date: 2023.04.19 17:33:24 +05'30'



per Hormuz Master

Partner

Membership No.: 110797

UDIN:23110797BGYJTB8445

Mumbai

April 19, 2023

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Tata Communications Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Tata Communications Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associates for the quarter and for the year ended March 31, 2023 (the "Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the Statement:

- i. includes the results of the entities as listed in Annexure 1 to the Statement;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



Tata Communications Limited

Audited Consolidated Results for the quarter and year ended March 31, 2023

Emphasis of Matter paragraph

- i. As fully discussed in note 4 to the consolidated financial results for the quarter and year ended March 31, 2023, the Holding Company had received demands during the period ended September 30, 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. In October 2022, the Company received revised demands for certain periods (included in the aforesaid) aggregating to Rs 5,174.78 crores. The Group has disclosed Rs 5,008.74 crores as part of contingent liability and believes that the likelihood of the demand Rs 166.04 crores materializing is remote. Also, pending clarification on the new AGR definition from the DOT, the Holding Company has considered its non-licensed services outside the purview of the revised AGR definition effective October 1, 2021. The Group believes that it has grounds to defend its above positions and has also obtained independent legal opinions in this regard and accordingly, no provision has been made in the accompanying results.
- ii. We draw attention to note 5 to the consolidated financial results, which describes the uncertainty related to the outcome of the on-going tax litigation of Rs 300.50 crores, in one of the subsidiaries of the Group. The Group is confident of defending its position and has obtained legal opinion in this regard.
- iii. We draw attention to Note 9 to the consolidated financial results, which describes the material uncertainty on ability of a large customer of the Group to continue as a going concern and the corresponding impact on the business operations, receivables and financial position of the Group thereon.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associates in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.



Tata Communications Limited

Audited Consolidated Results for the quarter and year ended March 31, 2023

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement,



Tata Communications Limited

Audited Consolidated Results for the quarter and year ended March 31, 2023

which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of a subsidiary, whose financial statements include total assets of Rs 68.38 crores as at March 31, 2023, total revenues of Rs 19.20 crores and Rs 76.27 crores, total net profit after tax of Rs 3.97 crores and Rs 15.28 crores, total comprehensive income of Rs 3.89 crores and Rs 19.82 crores, for the quarter and the year ended on that date respectively, and net cash outflows of Rs 9.55 crores for the year ended March 31, 2023, as considered in the Statement which have been audited by their respective independent auditor. The independent auditor's report on the financial statements of this entity have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such auditor and the procedures performed by us as stated in paragraph above.

The accompanying Statement includes unaudited financial results and other unaudited financial information in respect of two subsidiaries, whose financial results and other financial information reflect total assets of Rs 101.42 crores as at March 31, 2023, and total revenues of Rs 31.77 crores and Rs 102.37 crores, total net profit after tax of Rs 0.71 crores and Rs 8.83 crores, total comprehensive income of Rs 0.71 crores and Rs 8.89 crores, for the quarter and the year ended on that date respectively and net cash inflows of Rs 5 crores for the year ended March 31, 2023, whose financial results and other financial information have not been audited by their auditors and three associates, whose financial results includes the Group's share of net profit of Rs 9.29 crores and Rs 34.03 crores and Group's share of total comprehensive income of Rs 9.23 crores and Rs 34.09 crores for the quarter and for the year ended March 31, 2023, respectively, as considered in the Statement whose financial results and other financial information have not been audited by their auditors.

These unaudited financial results and other unaudited financial information have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial results and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.



Tata Communications Limited

Audited Consolidated Results for the quarter and year ended March 31, 2023

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures for the nine months ended December 31, 2022, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

HORMUZ
ERUCH
MASTER

Digitally signed by HORMUZ
ERUCH MASTER
DN: cn=HORMUZ ERUCH
MASTER, c=IN, o=Personal,
email=hormuz.master@srb.in
Date: 2023.04.19 17:43:08 +05'30'



per Hormuz Master

Partner

Membership No.: 110797

UDIN: 23110797BGYJTC4625

Mumbai

April 19, 2023

Tata Communications Limited

Audited Consolidated Results for the quarter and year ended March 31, 2023

Annexure to 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

List of Subsidiaries and Associates

Subsidiaries

1. Tata Communications (America) Inc.
2. Tata Communications (Australia) Pty Limited
3. Tata Communications (Beijing) Technology Limited
4. Tata Communications (Belgium) SRL
5. Tata Communications (Bermuda) Limited
6. Tata Communications (Brazil) Participacoes Limitada
7. Tata Communications (Canada) Ltd.
8. Tata Communications (France) Sas
9. Tata Communications (Guam) L.L.C.
10. Tata Communications (Hong Kong) Limited
11. Tata Communications (Hungary) KFT
12. Tata Communications (Ireland) Dac
13. Tata Communications (Italy) S.R.L
14. Tata Communications (Japan) K.K.
15. Tata Communications (Malaysia) Sdn. Bhd.
16. Tata Communications (Middle East) Fz-LLC
17. Tata Communications (Netherlands) B.V.
18. Tata Communications (New Zealand) Limited
19. Tata Communications (Nordic) As
20. Tata Communications (Poland) Sp. Z O. O.
21. Tata Communications (Portugal) Instalação E Manutenção De Redes, Lda
22. Tata Communications (Portugal), Unipessoal Lda
23. Tata Communications (Russia) LLC.
24. Tata Communications (South Korea) Limited
25. Tata Communications (Spain), S.L.
26. Tata Communications (Sweden) Ab
27. Tata Communications (Switzerland) Gmbh
28. Tata Communications (Taiwan) Ltd
29. Tata Communications (Thailand) Limited
30. Tata Communications (Uk) Limited
31. Tata Communications Collaboration Services Pvt Limited
32. Tata Communications Comunicações E Multimídia (Brazil) Limitada
33. Tata Communications Deutschland Gmbh
34. Tata Communications International Pte. Ltd.
35. Tata Communications Lanka Limited
36. Tata Communications Move B.V.
37. Tata Communications Move Nederland B.V.
38. Tata Communications Payment Solutions Limited
39. Tata Communications Services (International) Pte. Ltd.



Tata Communications Limited

Audited Consolidated Results for the quarter and year ended March 31, 2023

40. Tata Communications Svcs Pte Ltd
41. Tata Communications Transformation Services (Hungary) Kft.
42. Tata Communications Transformation Services (Us) Inc
43. Tata Communications Transformation Services Limited
44. Tata Communications Transformation Services Pte Limited
45. Tata Communications Transformation Services South Africa (Pty) Ltd
46. Tcpop Communication Gmbh
47. Tcts Senegal Limited
48. Vsnl Snospv Pte. Ltd.
49. Itxc Ip Holdings S.A.R.L.
50. Mucoso B.V.
51. Netfoundry Inc.
52. Nexus Connexion (Sa) Pty Limited
53. Sepco Communications (Pty) Limited
54. Oasis Smart Sim Europe SAS
55. Oasis Smart E-Sim Pte. Ltd

Associates

1. STT Global Data Centres India Private Limited
2. Smart ICT Services Private Limited
3. United Telecom Limited

[This space is intentionally left blank]



PRESS RELEASE

Tata Communications delivers full-year double-digit data revenue growth; Highest ever PAT & Free Cash Flow

**PAT grows 21.2% YoY | Digital Platforms & Services revenues increase by 15.5%
| The Board recommends dividend of INR 21 per share**

Mumbai, INDIA – 19th April 2023 - Tata Communications, a global digital ecosystem enabler, today announces its financial results for the quarter and full year ended 31st March 2023.

Highlights | Q4 & FY2023

Consolidated financial highlights

- Consolidated revenue for FY23 came in at INR 17,838 Crores (USD 2,220.3 Mn) and at INR 4,569 Crores (USD 555.2 Mn) for Q4 FY23
- Witnessed healthy growth across Core Connectivity, Digital Platforms & Services, and Incubation Services of Data business:
 - Data business grew by 2.2% QoQ and 10.3% YoY
 - Digital Platforms & Services grew by 2.3% QoQ and 15.5% YoY
 - Core Connectivity revenue grew by +1.7% QoQ and +5.7% YoY
 - Incubation portfolio grew by 9.4% QoQ and 116.6% YoY
- Consolidated EBITDA stood at INR 4,318 crore (USD 537.5 Mn); with margins at 24.2%, declining by 110 Bps YoY. For the quarter, margin came in at 22.6%
- Consolidated PAT stood at INR 1,796 crore (USD 223.5 Mn) as compared to a profit of INR 1,482 crore (USD 198.9 Mn) in FY22, registering a growth of + 21.2% YoY
- Committed CAPEX for the year was INR 1,689 Crores (USD 210.2 Mn) as compared to INR 1,608 Crores (USD 215.9 Mn) in FY22
- Free Cash Flow for FY23 was at INR 2,539 Crores

₹17,838 Cr
Consolidated Revenue

₹4,318 Cr
Consolidated EBITDA

The Board has recommended a dividend of INR 21 per share as a result of the Company's strong and consistent profitability.

Consolidated Nos.	INR Crore	QoQ Growth	YoY Growth
Gross Revenue	17,838	0.9%	6.7%
Gross Revenue (Data)	14,096	2.2%	10.3%
EBITDA	4,318	-4.0%	2.2%
EBITDA margin	24.2%	(120) Bps	(110) Bps
PAT	1,796	-17.2%	21.2%

“I am pleased that we have met the Company ambition of double-digit data growth for the past three consecutive quarters and for the full year,” said A.S. Lakshminarayanan, MD and CEO, Tata Communications. “Our expanding digital portfolio coupled with improving relevance quotient across India and International markets is helping us reposition the Company as a ‘CommTech’ leader. We remain committed to our Reimagine strategy to deliver profitable growth by creating sustainable value for our customers.”

“Our business results are proof that the ‘Fit to Grow’ strategy is now in motion from concept to action and its success is evident in the full year double-digit data revenue growth. We are now building the Company for a new growth trajectory enabled by our strong cash flow generation,” said Kabir Ahmed Shakir, Chief Financial Officer, Tata Communications.

An investor fact sheet providing detailed analysis of the results for the quarter and full year ended 31st March 2023 has been uploaded on the Tata Communications website and can be accessed [here](#).

Media Contact

Arati Mukerji
Tata Communications
+91 9958895759
arati.mukerji@tatacommunications.com

Investor Contact:

Rajiv Sharma
Tata Communications
+91 98201 36641
rajiv.sharma@tatacommunications.com

About Tata Communications

A part of the Tata Group, Tata Communications (NSE: TATACOMM; BSE: 500483) is a global digital ecosystem enabler powering today’s fast-growing digital economy in more than 190 countries and territories. Leading with trust, it enables digital transformation of enterprises globally with collaboration and connected solutions, core and next gen connectivity, cloud hosting and security solutions and media services. 300 of the Fortune 500 companies are its customers and the company connects businesses to 80% of the world’s cloud giants. For more information, please visit 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.

© 2023 Tata Communications Ltd. All rights reserved.

TATA COMMUNICATIONS and TATA are trademarks or registered trademarks of Tata Sons Private Limited in India and certain countries.