



HQ/CS/CL.24B/17292
April 21, 2022

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, 2022 and Recommendation of Dividend for the financial year ended March 31, 2022.

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, 2022 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 year ended March 31, 2022 (**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 ₹20.70 per share of the face value of Rs.10 each for the financial year ended March 31, 2022. 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 1520 hours IST and concluded at 1850 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

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Tel: 91 22 6659 1968 email: zubin.patel@tatacommunications.com
CIN: L64200MH1986PLC039266 website: www.tatacommunications.com



TATA COMMUNICATIONS

TATA COMMUNICATIONS LIMITED

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

(₹ in crores)

A. STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022					
Particulars	For the quarter ended			For the year ended	
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021
(Refer notes below)	(refer note 2)	(Unaudited)	(refer note 2)	(Audited)	(Audited)
1 Income from operations	1,725.28	1,657.70	1,578.34	6,587.35	6,225.32
2 Other income, net (Refer note 6)	298.73	47.31	42.53	558.49	274.56
3 Total Income (1+2)	2,024.01	1,705.01	1,620.87	7,145.84	6,499.88
4 Expenses					
a. Network and transmission expense	640.99	548.28	522.98	2,238.61	2,051.01
b. Employee benefits expense	322.43	318.57	277.73	1,279.22	1,104.61
c. Finance costs	20.50	22.30	23.27	88.59	106.73
d. Depreciation and amortisation expense	237.59	229.97	269.05	916.14	972.89
e. Other expenses	318.28	285.11	280.88	1,113.74	1,086.16
f. Total expenses (4a to 4e)	1,539.79	1,404.23	1,373.91	5,636.30	5,321.40
5 Profit before exceptional items and tax (3 - 4)	484.22	300.78	246.96	1,509.54	1,178.48
6 Exceptional items (Refer note 3)	0.70	-	19.44	10.78	50.82
7 Profit / (Loss) before tax (5 + 6)	484.92	300.78	266.40	1,520.32	1,229.30
8 Tax expense / (benefit): (Refer note 6)					
a. Current tax	98.96	82.49	32.51	333.00	286.92
b. Deferred tax	29.46	(7.22)	24.55	20.00	(20.28)
9 Profit / (Loss) for the period (7 - 8)	356.50	225.51	209.34	1,167.32	962.66
10 Other Comprehensive Income / (Loss) (net of tax)	2.75	(3.80)	3.99	(32.22)	(2.73)
11 Total Comprehensive Income / (Loss) (9 + 10)	359.25	221.71	213.33	1,135.10	959.93
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				9,311.57	8,575.47
14 Net worth				9,802.63	9,066.53
15 Earnings per share (of ₹ 10/- each) (not annualised)					
Basic and diluted earnings per share (₹)	12.51	7.91	7.34	40.96	33.78



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B. Standalone Business Segment Information:

i. Segment wise revenue and results:

(₹ in crores)

Particulars	For the quarter ended			For the year ended	
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021
	(refer note 2)	(Unaudited)	(refer note 2)	(Audited)	(Audited)
Income from Operations					
Voice Solutions	18.01	22.04	24.68	90.12	166.02
Data and Managed Services	1,657.10	1,592.81	1,509.66	6,309.83	5,890.43
Real Estate	50.17	42.85	44.00	187.40	168.87
Total	1,725.28	1,657.70	1,578.34	6,587.35	6,225.32
Segment result					
Voice Solutions	(50.73)	(44.45)	(30.60)	(190.02)	(267.38)
Data and Managed Services	224.49	293.73	227.64	1,106.74	1,168.27
Real Estate	32.23	26.49	30.66	122.92	109.76
Total	205.99	275.77	227.70	1,039.64	1,010.65
Less :					
(i) Finance Costs	20.50	22.30	23.27	88.59	106.73
(ii) Other un-allocable (income) net of un-allocable expenses	(299.43)	(47.31)	(61.97)	(569.27)	(325.38)
Profit/(Loss) before taxes	484.92	300.78	266.40	1,520.32	1,229.30

ii. Segment Assets and Liabilities:

(₹ in crores)

Particulars	As on		
	March 31 2022	December 31 2021	March 31 2021
Segment Assets			
Voice Solutions	71.11	80.50	100.93
Data and Managed Services	6,390.27	6,494.14	6,083.08
Real Estate	433.91	438.06	421.03
Unallocable Assets	7,825.15	7,430.13	7,592.65
Total Assets	14,720.44	14,442.83	14,197.69
Segment Liabilities			
Voice Solutions	124.51	136.16	147.18
Data and Managed Services	3,270.61	3,486.91	3,394.69
Real Estate	95.17	107.18	85.65
Unallocable Liabilities	1,427.52	1,269.19	1,503.64
Total Liabilities	4,917.81	4,999.44	5,131.16



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iii. Notes to Segments:

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

Voice Solutions include International and National Long Distance Voice services.

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

Real Estate includes lease rentals for premises given on lease.

C. Statement of Standalone Assets and Liabilities as at March 31, 2022

(₹ in crores)

Particulars	As at	As at
	March 31 2022	March 31 2021
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	3,697.98	3,725.85
(b) Capital work-in-progress	416.59	155.08
(c) Right of Use Asset	457.18	494.12
(d) Investment property	386.18	287.99
(e) Other Intangible assets	499.26	436.53
(f) Intangible assets under development	31.11	49.96
(g) Investment property under development	19.85	116.21
(h) Financial assets		
(i) Investments	3,856.88	3,577.28
(ii) Loans	79.46	-
(iii) Other financial assets	137.30	149.06
(i) Deferred tax assets (net)	318.98	336.24
(j) Advance tax (net)	1,266.35	1,665.46
(k) Other Non-current assets	128.34	138.49
Total Non-current assets	11,295.46	11,132.27
Current assets		
(a) Inventories	17.77	18.05
(b) Financial assets		
(i) Other Investments	419.76	1,158.77
(ii) Trade receivables	1,103.51	1,089.84
(iii) Cash and cash equivalents	98.78	197.50
(iv) Other bank balances	1.96	51.74
(v) Loans	1,114.15	-
(vi) Other financial assets	150.26	126.25
(c) Other Current assets	366.51	296.26
	3,272.70	2,938.41
Assets classified as held for sale	152.28	127.01
Total Current assets	3,424.98	3,065.42
TOTAL ASSETS	14,720.44	14,197.69



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C. Statement of Standalone Assets and Liabilities as at March 31, 2022

Particulars	(₹ in crores)	
	As at	As at
	March 31 2022	March 31 2021
	(Audited)	(Audited)
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	285.00	285.00
(b) Other equity	9,517.63	8,781.53
	9,802.63	9,066.53
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	533.87	532.14
(ia) Lease liabilities	363.04	402.53
(ii) Other financial liabilities	47.47	58.91
(b) Provisions	273.96	240.03
(c) Other liabilities	385.14	383.07
Total Non-current liabilities	1,603.48	1,616.68
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4.33	48.62
(ia) Lease liabilities	46.64	48.36
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	3.06	13.04
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,312.22	1,518.95
(iii) Other financial liabilities	522.58	563.56
(b) Provisions	71.42	89.32
(c) Current tax liability (net)	424.00	426.69
(d) Other liabilities	925.56	801.45
(e) Liabilities for assets classified as held for sale	4.52	4.49
Total Current liabilities	3,314.33	3,514.48
TOTAL EQUITY AND LIABILITIES	14,720.44	14,197.69



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D. Statement of Standalone Cash Flow Statement:

(₹ in crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit/(Loss) before tax	1,520.32	1,229.30
Adjustments for non cash items:		
Depreciation and amortization	916.14	972.89
Interest income	(28.47)	(15.98)
Finance cost	88.59	106.73
Gain on disposal of assets held for sale (exceptional item, advance received in previous period)	-	(67.38)
Gain on investments at fair value through profit and loss (net)	(27.59)	(39.22)
Dividend income	(130.45)	(101.09)
Unrealised foreign exchange gain/ (loss) (net)	(7.54)	(10.27)
Allowance for doubtful trade receivables	(21.18)	35.71
Gain on modification/ termination of lease	(3.28)	-
Provision for inventories and capital work-in-progress	2.71	15.09
Allowance for doubtful advances	1.10	1.15
Bad Debts written off	4.67	1.75
Gain/ (loss) on disposal of property, plant and equipment (net)	(5.13)	0.48
Operating Profit before working capital changes	2,309.89	2,129.16
Adjustment for increase/(decrease) in working capital:		
Inventories	(2.29)	46.75
Trade receivables	2.84	172.39
Other assets	(73.79)	33.87
Trade payables	(216.71)	(59.46)
Other liabilities	120.82	(311.29)
Provisions	(39.24)	(10.00)
Cash generated from operations before tax	2,101.52	2,001.42
Income tax paid (net of refund)	71.51	(353.98)
Net cash flows from operating activities	2,173.03	1,647.44
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,223.79)	(870.71)
Proceeds from disposal of property, plant and equipment and intangible assets	5.33	3.09
Proceeds from disposal of assets held for sale	-	0.41
Purchase of non-current investments	(279.60)	(104.31)
Purchase of current investments	(5,945.75)	(5,876.40)
Proceeds from sale of current investments	6,712.36	5,321.62
Loan given to subsidiaries	(1,230.95)	-
Loan repaid by subsidiaries	45.54	-
Advance received towards assets held for sale	3.67	9.11
Dividend income from subsidiaries	130.45	101.09
Fixed deposits	50.00	(50.00)
Interest received	24.62	12.78
Earmarked funds	(0.22)	(0.97)
Net cash flows (used in) investing activities	(1,708.34)	(1,454.29)



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(₹ in crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	2.66	142.68
Repayment of short-term borrowings	(49.33)	(619.24)
Proceeds from long-term borrowings	7.52	524.29
Repayment of long-term borrowings	(5.25)	(2.79)
Proceeds from sublease	5.21	-
Repayment of lease liabilities	(84.74)	(68.88)
Dividend paid including dividend tax	(399.00)	(114.00)
Interest paid	(40.48)	(20.66)
Net cash flows (used in) /from financing activities	(563.41)	158.60
Net Increase / (Decrease) in cash and cash equivalents	(98.72)	34.55
Cash and cash equivalents as at the beginning of the year	197.50	162.95
Cash and cash equivalents as at the end of the year	98.78	197.50

E. 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, 2022

	For the quarter ended			For the year ended	
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021
1. Operating Margin (%) Earnings before exceptional items, Interest and Tax/ Income from Operations	11.94%	16.64%	14.43%	15.78%	16.23%
2. Net Profit Margin (%) Profit/ (Loss) for the period/ Income from Operations	20.66%	13.60%	13.26%	17.72%	15.46%
3. Interest service coverage ratio (no. of times) Earning before exceptional items, interest, depreciation and amortization and tax (EBITDA) / Finance costs	21.64	22.68	21.35	22.08	18.58



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	As at	As at
	March 31 2022	March 31 2021
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	9.38	8.22
2. Debt Equity ratio Total Debt (Long term borrowings + Short term borrowings (including Current maturities of long term borrowings)) / Equity	0.05	0.06
3. Debt service coverage ratio (no. of times) EBITDA/ (Finance costs + Short term borrowings (including Current maturities of long term borrowings))	21.05	12.77
4. Current Ratio (no. of times) Total Current Assets/ Total Current Liabilities	1.03	0.87
5. Bad debts to Accounts receivables ratio (%) Bad debts written off/ Average Trade receivables	0.43%	0.15%
6. Current Liability ratio (no. of times) Total Current Liabilities/ Total Equity and Liabilities	0.23	0.25
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	6.01	5.21
9. Long term debt to working capital Long term borrowings/ (Total Current Assets – Total Current Liabilities)	4.82	-1.19

Notes to standalone financial results:

- The above standalone financial results of the Company for the financial year ended March 31, 2022 were taken on record and approved by the Board of Directors at their meeting held on April 21, 2022. These results have been reviewed by the audit committee and audited by statutory auditors.
- The figures of the quarters ended March 31, 2022 and March 31, 2021 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, 2021 and December 31, 2020 respectively, which were subjected to limited review by the statutory auditors.
- Details of exceptional items are listed below

(₹ in crores)

	For the quarter ended			For the year ended	
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021
1. Staff cost optimization (refer note a)	0.70	-	(0.65)	0.70	(2.93)
2. Provision towards license fees (refer note b)	-	-	(4.16)	-	(37.88)
3. Gain on sale of fixed assets (refer note c)	-	-	-	-	67.38
4. Insurance claim (refer note d)	-	-	24.25	10.08	24.25
Total	0.70	-	19.44	10.78	50.82



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- a. As part of its initiative to enhance the long-term efficiency of the business, the Company undertook organisational changes to align to the Company's current and prospective business requirements. These changes involved certain positions in the Company becoming redundant. The Company has reversed certain provisions based on final settlement.
 - b. During the year ended March 31, 2020, the Company made a provision towards licence fees of ₹ 341.64 crores which includes ₹ 337.17 crores towards the period covered in the DOT demand (Refer note 4). Further for the quarter and year ended March 31, 2021, the Company made a provision of ₹ 4.16 crores and ₹ 37.88 crores towards interest on the unpaid provisions and made a payment of ₹ 379.51 crores under protest to DOT.
 - c. During the year ended March 31, 2021, the Company concluded the sale off a parcel of its land along with building on such land, for a total consideration of ₹ 67.41 crores (net of transaction cost) resulting into a gain of ₹ 67.38 crores. These assets were disclosed under assets held for sale.
 - d. During the quarter and year ended March 31, 2021, the Company had recognized an insurance claim of ₹ 24.25 crores against loss caused due to malfunctioning of the fire suppression system in earlier years. Further, for the year ended March 31, 2022, the Company had recognised an amount of ₹ 10.08 crores based on final settlement of claim.
4. During the quarter ended September 30, 2019, the Company had received demands from 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.

The demands received by the Company included an amount of ₹ 5,433.70 crores which were disallowed by the DOT towards the cost adjusted to Gross Revenues by the Company that were claimed on 'accrual basis' instead of payment basis, for which revised statements on the basis of actual payment has been submitted to the DOT. Though, the Company believes that it has a case to defend, it has made a provision of ₹ 337.17 crores during the quarter ended March 31, 2020 and for the balance amount of ₹ 5,096.53 crores, the Company believes that the likelihood of the same materializing is remote since the deduction on payment basis has not been considered by the DOT. During the quarter ended March 31, 2021, the Company has made a payment of ₹ 379.51 crores under protest to DOT.

With respect to demands for the balance amount of ₹ 1,199.73 crores, 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 appeals are not included in the Hon'ble Supreme Court ruling of October 24, 2019 on AGR. Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Supreme Court judgement of October 24, 2019. The Company has responded to the DOT denying and disputing the amounts claimed by the DOT in the above mentioned demands. The Company has not received any response from the DOT after the submission. The Company believes that it will be able to defend its position and also has obtained a legal opinion in this regard. Accordingly, the Company has assessed the balance demand of ₹ 1,199.73 crores as part of contingent liability.

Also, the DOT has amended the definition of Gross Revenue (GR)/AGR in the Unified Licence 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-licenced services that it provides and in the interim, has considered the revenue from such services under the deduction provided by the new definition. The Company has also obtained independent legal view in this regard.

5. As at March 31, 2022, the carrying value of Company's investment in its subsidiary Tata Communications Payment Solutions Limited ("TCPSL") is ₹ 1,033.04 crores which has accumulated losses of ₹ 1,558.66 crores (includes a loss of ₹ 81.72 crores for the year). The business of TCPSL was adversely impacted due to Covid 19 pandemic and prolonged lockdown and restrictions which had resulted into decline in revenue due to decrease in the volume of transactions at the ATM's. The current prevailing pandemic situation is quite fluid and volatile. Accordingly predicting timelines for the return of normalcy is difficult and there exists uncertainty relating to timing and growth in the demand for TCPSL's services and the achievement of the plans. However, with the easing of the pandemic related restrictions and opening of the offices and commercial establishments and resurgence of economic activities in the semi urban and rural areas where it has its majority of the ATM's, TCPSL has started recovering and expects the revival of the transactions to the pre covid level gradually. Considering its revised business model further strengthened by the increase in the Inter Bank Rate (IBR) announced by the RBI, the Company believes that TCPSL would be able to generate positive Cashflows and profits



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in the future periods. Based on above factors and internal assessment of future business plan, management is of the view that the carrying value of the investment in TCPSL as at March 31, 2022 is appropriate.

6. During the quarter ended March 31, 2022, pursuant to the conclusion of agreement between the Company and Central Board of Direct Taxes, the Company has charged incremental guarantee fees and letter of comfort fees to its subsidiaries. Accordingly, other income and tax expense (including interest) for the quarter and year ended March 31, 2022 includes an amount of ₹ 37.53 crores and ₹ 25.38 crores respectively for the earlier periods of which ₹ 31.86 crores and ₹ 23.95 crores respectively, for the previous years.
7. During the quarter ended December 31, 2021, the Group has obtained UL – VNO license for all services. The license is issued on November 26, 2021 and is valid for a period of 10 years.
8. The Board of Directors at its meeting held on April 21, 2022 proposed a dividend of ₹ 20.7 per equity share (Previous year ₹ 14.00 per equity share).
9. Previous periods' figures have been reclassified wherever necessary to conform to the current period classifications/disclosures.



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TATA COMMUNICATIONS LIMITED

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

(₹ in crores)

F. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022					
Particulars	For the quarter ended			For the year ended	
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021
	(Refer note 2)	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
1 Income from operations	4,263.03	4,184.89	4,073.25	16,724.73	17,100.10
2 Other income, net	263.52	18.80	57.70	332.09	156.76
3 Total income (1 + 2)	4,526.55	4,203.69	4,130.95	17,056.82	17,256.86
4 Expenses					
a. Network and transmission expense	1,540.39	1,530.18	1,461.46	6,199.49	6,513.66
b. Employee benefits expense	768.38	733.79	754.70	3,040.34	3,049.09
c. Finance costs	89.77	83.45	93.07	360.25	420.20
d. Depreciation and amortisation expense	588.72	542.46	595.03	2,204.54	2,313.87
e. Other expenses	908.92	838.44	841.90	3,258.18	3,276.77
Total expenses (4a to 4e)	3,896.18	3,728.32	3,746.16	15,062.80	15,573.59
5 Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	630.37	475.37	384.79	1,994.02	1,683.27
6 Exceptional items (Refer note 3)	(20.89)	8.49	1.15	5.96	(74.72)
7 Profit from operations before tax and share of profit/(loss) of associates (5 + 6)	609.48	483.86	385.94	1,999.98	1,608.55
8 Tax expense/ (benefit): (Refer note 7)					
a. Current tax	122.02	106.12	61.75	431.31	406.49
b. Deferred tax	121.25	(10.31)	25.46	90.82	(51.60)
9 Profit before share of profit/(loss) of associates (7 - 8)	366.21	388.05	298.73	1,477.85	1,253.66
10 Share in Profit/(Loss) of associates	2.46	4.60	0.50	6.82	(2.14)
11 Profit for the period (9 + 10)	368.67	392.65	299.23	1,484.67	1,251.52
Attributable to:					
Equity holders of the parent	365.06	395.21	299.20	1,481.76	1,250.63
Non-controlling interest	3.61	(2.56)	0.03	2.91	0.89
12 Other Comprehensive Income/(loss) (net of tax)	(64.92)	(4.68)	(28.68)	(270.63)	257.19
13 Total Comprehensive income (11+12)	303.75	387.97	270.55	1,214.04	1,508.71
Attributable to:					
Equity holders of the parent	300.14	390.53	270.52	1,211.13	1,507.82
Non-controlling interest	3.61	(2.56)	0.03	2.91	0.89
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				436.53	(375.60)
16 Earnings per share (of ₹ 10/- each) (not annualised)					
Basic and diluted earnings per share (₹)	12.81	13.87	10.50	51.99	43.88



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G. Consolidated Business Segment Information:

i. Consolidated Segment wise revenue and results:

(₹ in crores)

Particulars	For the quarter ended			For the year ended	
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021
	(Refer note 2)	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
			Refer note a below		Refer note a below
<u>Income from operations</u>					
Voice Solutions	536.93	554.21	558.27	2,286.36	2,790.77
Data Services	3,316.00	3,246.95	3,102.06	12,842.06	12,672.76
Payment Solutions	42.56	43.57	45.93	164.60	215.37
Transformation Services	364.32	336.85	364.60	1,411.41	1,405.81
Real Estate	51.19	44.20	45.50	192.94	179.67
Less: Inter Segment Revenue	(47.97)	(40.89)	(43.11)	(172.64)	(164.28)
Total	4,263.03	4,184.89	4,073.25	16,724.73	17,100.10
<u>Segment result</u>					
Voice Solutions	24.13	36.64	27.37	120.07	136.47
Data Services	403.78	533.12	363.75	1,888.72	1,799.72
Payment Solutions	(17.05)	(17.63)	(17.93)	(60.23)	(107.58)
Transformation Services	14.12	(38.54)	17.38	(49.16)	7.17
Real Estate	31.64	26.43	29.59	122.78	110.93
Total	456.62	540.02	420.16	2,022.18	1,946.71
Less:					
(i) Finance Costs	89.77	83.45	93.07	360.25	420.20
(ii) Other un-allocable (income) net of un-allocable expenditure	(242.63)	(27.29)	(58.85)	(338.05)	(82.04)
Profit before tax	609.48	483.86	385.94	1,999.98	1,608.55



TATA COMMUNICATIONS

ii. Consolidated Segment Assets and Liabilities:

(₹ in crores)

Particulars	As at		
	March 31 2022	December 31 2021	March 31 2021
	(Audited)	(Unaudited)	(Audited)
			Refer note a below
Segment Assets			
Voice Solutions	313.51	339.45	397.46
Data Services	13,543.53	13,576.49	13,666.49
Payment Solutions	257.41	267.21	299.58
Transformation Services	633.70	570.01	667.40
Real Estate	420.36	420.64	404.80
	15,168.51	15,173.80	15,435.73
Unallocated Assets	4,499.46	4,536.76	5,897.68
Total Segment Assets	19,667.97	19,710.56	21,333.41
Segment Liabilities			
Voice Solutions	525.93	541.68	622.07
Data Services	8,517.40	8,602.94	8,785.41
Payment Solutions	251.10	236.60	217.64
Transformation Services	386.86	408.66	434.10
Real Estate	96.87	100.64	79.68
	9,778.16	9,890.52	10,138.90
Unallocated Liabilities	8,933.73	9,167.73	11,050.88
Total Segment Liabilities	18,711.89	19,058.25	21,189.78

iii. Notes to Segments:

a. Upto June 30, 2021, the Transformation services business was included in 'Data Services' segment. Effective, July 1, 2021, the Transformation services business is now separately reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and accordingly, it has been reported as a separate segment. The previous period segment information is restated to reflect the changes in the segment

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

H. Statement of Consolidated Assets and Liabilities:

Particulars	(₹ in Crores)	
	As at	As at
	March 31 2022	March 31 2021
	(Audited)	(Audited)
<u>ASSETS</u>		
Non-current assets		
(a) Property, plant and equipment	7,768.61	8,209.78
(b) Capital work-in-progress	778.68	394.46
(c) Right-of-use assets	1,148.76	1,333.67
(d) Investment property	376.47	276.94
(e) Investment property under development	19.85	116.21
(f) Goodwill	108.28	110.33
(g) Other intangible assets	1,514.23	1,472.68
(h) Intangible assets under development	73.78	98.46
(i) Financial assets		
(i) Investments		
(a) Investments in associates	895.10	718.69
(b) Other investments	237.33	232.24
(ii) Other financial assets	126.02	126.78
(j) Deferred tax assets (net)	217.27	310.23
(k) Non-current tax assets	1,369.52	1,888.71
(l) Other non-current assets	164.29	207.09
Total Non-current assets	14,798.19	15,496.27
Current assets		
(a) Inventories	37.88	34.44
(b) Financial assets		
(i) Other investments	432.80	1,282.43
(ii) Trade receivables	2,582.13	2,607.68
(iii) Cash and cash equivalents	696.86	817.85
(iv) Bank balances other than (iii) above	46.53	109.25
(v) Other financial assets	105.98	109.03
(c) Other current assets	815.32	746.22
	4,717.50	5,706.90
Assets classified as held for sale	152.28	130.24
Total Current assets	4,869.78	5,837.14
TOTAL ASSETS	19,667.97	21,333.41



TATA COMMUNICATIONS

H. Statement of Consolidated Assets and Liabilities:

(₹ in Crores)

Particulars	As at	As at
	March 31 2022	March 31 2021
	(Audited)	(Audited)
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	285.00	285.00
(b) Other equity	642.59	(169.54)
Equity attributable to equity holders of the parent	927.59	115.46
Non-controlling interests	28.49	28.17
Total Equity	956.08	143.63
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,990.92	8,886.39
(ia) Lease liabilities	955.72	1,153.06
(ii) Other financial liabilities	49.18	8.79
(b) Provisions	645.36	547.52
(c) Deferred tax liabilities (net)	30.46	27.84
(d) Other non-current liabilities	2,609.60	2,799.61
Total Non-current liabilities	10,281.24	13,423.21
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,905.87	1,072.07
(ia) Lease liabilities	269.03	282.08
(ii) Trade payables	3,006.46	3,239.47
(iii) Other financial liabilities	717.76	690.26
(b) Other current liabilities	1,919.13	1,846.82
(c) Provisions	121.28	140.57
(d) Current tax liabilities (net)	486.60	490.81
Total Current liabilities	8,426.13	7,762.08
Liabilities relating to assets held for sale	4.52	4.49
TOTAL EQUITY AND LIABILITIES	19,667.97	21,333.41



TATA COMMUNICATIONS

I. Statement of Consolidated Cash Flow:

(₹ in Crores)

Particulars	For the year ended	
	March 31, 2022 (Audited)	March 31, 2021 (Audited)
1 CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operations before tax and share of profit/(loss) of associates for the period	1,999.98	1,608.55
Adjustments for:		
Depreciation and amortisation expense	2,204.54	2,313.87
Gain on disposal of property, plant and equipment (net)	(4.33)	(42.27)
Gain on disposal of assets held for sale (exceptional item, advance received in previous period)	-	(67.38)
Gain on modification/ termination of lease	(3.59)	(31.94)
Interest income on financial assets carried at amortised cost	(6.45)	(11.53)
Finance cost	360.25	420.20
Bad debts written off	23.12	47.33
Allowance for trade receivables	(10.56)	20.02
Provision for inventories and CWIP	2.71	15.09
Allowance for doubtful advances	0.52	0.29
Gain on investments carried at fair value through profit or loss (net)	(29.42)	(44.54)
Dividend from investments at fair value through OCI	-	(20.93)
Exchange fluctuation	(16.48)	22.10
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,520.29	4,228.86
Adjustment for (increase)/decrease in operating assets		
Inventories	(5.41)	31.51
Trade receivables	52.67	515.76
Other assets	(23.18)	70.20
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	(296.70)	(554.67)
Other liabilities	(160.10)	(553.58)
Provisions	(39.07)	(25.85)
Adjustment of translation differences on working capital	66.63	(35.98)
Cash generated from operations before tax	4,115.13	3,676.25
Income tax refund/(paid) (net)	88.69	(496.42)
NET CASH FLOW FROM OPERATING ACTIVITIES	4,203.82	3,179.83



TATA COMMUNICATIONS

I. Statement of Consolidated Cash Flow:

(₹ in Crores)

Particulars	For the year ended	
	March 31, 2022 (Audited)	March 31, 2021 (Audited)
2 CASH FLOW FROM INVESTING ACTIVITIES		
Payment to purchase of property, plant and equipments and intangible assets	(1,656.44)	(1,363.63)
Proceeds from disposal of property, plant and equipments and intangible assets	6.20	11.36
Advance received towards assets held for sale	-	9.11
Proceeds from disposal of asset held for sale	3.44	0.41
Purchase of investments in associates	(169.59)	(34.31)
Purchase of non-current investments	(29.56)	(29.25)
Dividend from investments at fair value through OCI	-	20.93
Net cash outflow on acquisition of subsidiary	-	(1.58)
Purchase of current investments	(6,071.27)	(6,389.26)
Proceeds from sale of current investments	6,950.32	5,813.14
Fixed deposits liquidated/(placed)	65.04	(50.96)
Earmarked funds	(0.22)	(0.98)
Interest received	7.11	10.42
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	(894.97)	(2,004.60)
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Short-term borrowings	1,098.61	2,929.55
Repayment of Short-term borrowings	(1,435.78)	(4,252.87)
Proceeds from Long-term borrowings	3,418.07	5,372.55
Repayment of Long-term borrowings	(5,498.80)	(4,517.35)
Repayment of lease liabilities	(364.11)	(369.94)
Dividends paid	(399.00)	(114.00)
Dividends paid to non-controlling interest	(2.59)	(1.21)
Finance cost	(247.63)	(251.50)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	(3,431.23)	(1,204.77)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(122.38)	(29.54)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	817.85	850.00
Exchange difference on translation of foreign currency cash and cash equivalents	1.39	(2.61)
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	696.86	817.85
i Figures in brackets represent outflows		



TATA COMMUNICATIONS

Notes to consolidated financial results:

- The above consolidated results of the Group for the financial year ended March 31, 2022 were taken on record and approved by the Board of Directors at their meeting held on April 21, 2022. These results have been reviewed by the audit committee and audited by the statutory auditors.
- The figures of the quarter ended March 31, 2022 and March 31, 2021 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, 2021 and December 31, 2020 respectively, which were subjected to limited review by the statutory auditors.
- Details of exceptional items are listed below

Particulars	(₹ in crores)					
	For the quarter ended			For the year ended		
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021	
1. Gain on sale of assets held for sale (refer note a)	-	-	-	-	67.38	
2. Provision towards License Fee (Refer note b)	-	-	(4.16)	-	(37.88)	
3. Staff cost optimization (Refer note c)	15.09	8.49	(18.94)	31.86	(128.47)	
4. Insurance claim (Refer note d)	-	-	24.25	10.08	24.25	
5. Provision for Litigation (Refer note e)	(35.98)	-	-	(35.98)	-	
Total	(20.89)	8.49	1.15	5.96	(74.72)	

- During the year ended March 31, 2021, the Company concluded the sale off a parcel of its land along with building on such land, for a total consideration of ₹ 67.41 crores (net of transaction cost) resulting into a gain of ₹ 67.38 crores. These assets were disclosed under assets held for sale.
- During the year ended March 31, 2020 the company made a provision towards license fees of ₹ 341.64 crores which includes ₹ 337.17 crores towards the period covered in the DOT demand (Refer note 4a). Further for the quarter and year ended March 31, 2021, the Group made a provision of ₹ 4.16 crores and ₹ 37.88 crores towards interest on the unpaid provisions and made a payment of ₹ 379.51 crores under protest to DOT.
- As part of its initiative to enhance the long-term efficiency of the business, the Group undertook organisational changes to align to the Group's current and prospective business requirements. These changes involved certain positions in the Group becoming redundant. The Group has reversed certain provisions based on final settlement.
- During the quarter and year ended March 31, 2021, the Company had recognized an insurance claim of ₹ 24.25 crores against loss caused due to malfunctioning of the fire suppression system in earlier years. Further, during the year ended March 31, 2022, the Group recognised an amount of ₹ 10.08 crores based on final settlement of the claim.
- During the quarter and year ended March 31, 2022, basis management assessment the Group made a provision of ₹ 35.98 crores against a pending litigation in one of its international subsidiary.



TATA COMMUNICATIONS

4. a) During the quarter ended September 30, 2019, the Company had received demands from 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.

The demands received by the Company included an amount of ₹ 5,433.70 crores which were disallowed by the DOT towards the cost adjusted to Gross Revenues by the Company that were claimed on 'accrual basis' instead of payment basis, for which revised statements on the basis of actual payment has been submitted to the DOT. Though, the Company believes that it has a case to defend, it has made a provision of ₹ 337.17 crores during the quarter ended March 31, 2020 and for the balance amount of ₹ 5,096.53 crores, the Company believes that the likelihood of the same materializing is remote since the deduction on payment basis has not been considered by the DOT. During the quarter ended March 31, 2021, the Company has made a payment of ₹ 379.51 crores under protest to DOT.

With respect to demands for the balance amount of ₹ 1,199.73 crores, 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 appeals are not included in the Hon'ble Supreme Court ruling of October 24, 2019 on AGR. Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Supreme Court judgement of October 24, 2019. The Company has responded to the DOT denying and disputing the amounts claimed by the DOT in the abovementioned demands. The Company has not received any response from the DOT after the submission. The Company believes that it will be able to defend its position and also has obtained a legal opinion in this regard. Accordingly, the Company has assessed the balance demand of ₹ 1,199.73 crores as part of contingent liability.

The DOT has amended the definition of Gross Revenue (GR)/AGR in the Unified Licence 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-licenced services that it provides and in the interim, has considered the revenue from such services under the deduction provided by the new definition. The Company has also obtained independent legal view in this regard

- b) During year ended March 31, 2021 an associate considered certain provision in its financial statements, the Group has considered the same as contingent liability which is consistent with the treatment of similar item in its results. During the year ended March 31, 2022, the associate adjusted the provision in this regard basis the demand notes received from DOT. Accordingly, the Group reduced the contingent liability of ₹ 24.40 crores (net of tax).
5. During the quarter ended September 30, 2019, a subsidiary domiciled abroad, has received a final VAT assessment from VAT authorities for ₹ 130.47 crores (EUR 15.5 Mn). During the quarter ended December 31, 2019, a final penalty assessment of ₹ 152.32 crores (EUR 18.1 Mn) was also received. 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 management intends to lodge a contentious-administrative appeal before the National Court as it believes that there are grounds to defend its position.
6. During the quarter ended December 31, 2021, the Group has obtained UL – VNO license for all services. The license is issued on November 26, 2021 and is valid for a period of 10 years.
7. During the quarter ended March 31, 2022, pursuant to the conclusion of agreement between the Company and Central Board of Direct Taxes, the Company has charged incremental guarantee fees and letter of comfort fees to its subsidiaries. Accordingly, tax expense (including interest) for the quarter and year ended March 31, 2022 includes an amount of ₹ 25.38 crores for the earlier periods of which ₹ 23.95 crores for the previous years.
8. The Board of Directors at its meeting held on April 21, 2022 proposed a dividend of ₹ 20.7 per equity share (Previous year ₹ 14.00 per equity share).



TATA COMMUNICATIONS

9. Previous periods' figures have been rearranged wherever necessary to conform to the current period classifications/disclosures.

For TATA COMMUNICATIONS LIMITED

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Place: Mumbai
Date: April 21, 2022

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 Communication 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 Communication Limited (the "Company") for the quarter and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the 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, 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 profit and other comprehensive income for the quarter ended March 31, 2022 and of the net profit and other comprehensive loss for the year ended March 31, 2022 and other financial information of the Company for the quarter and year ended March 31, 2022.

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 paragraphs

- i. As fully discussed in note 4 to the standalone financial results for the quarter and the year ended March 31, 2022, the Company had 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 cr. Of this amount, the Company has provided Rs 337 crs with respect to the demand of Rs 5,434 crs and believes that the likelihood of the balance demand Rs 5,097 crs materializing is remote. Further, the Company has disclosed the demand of Rs 1,200 crs as part of contingent liability. Also, pending clarification on the new AGR definition from the 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.

- ii. We draw attention to note 5 of the standalone financial results, regarding the impact of COVID-19 and its consequential impact on management's assessment of the key assumptions related to recoverability of the carrying value of investment in Tata Communications Payment Solutions Limited of Rs 1,033 crores.

Our opinion is not modified in respect of these matters.

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 loss 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 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, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, 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

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SINGHAL



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Date: 2022.04.21 17:44:20 +05'30'

per Prashant Singhal

Partner

Membership No.: 93283

UDIN: 22093283AHNIIC8385

Place: Mumbai

Date: April 21, 2022

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 ended March 31, 2022 and for the year ended March 31, 2022 (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 ("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 and associates, 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 loss for the quarter ended March 31, 2022 and of the consolidated net profit and other comprehensive loss for the year ended March 31, 2022 and other financial information of the Group for the quarter ended March 31, 2022 and for the year ended March 31, 2022

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 auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter paragraph

- i. As fully discussed in note 4 to the consolidated financial results for the quarter and year ended March 31, 2022, the holding company had 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 cr. Of this amount, the holding company has provided Rs 337 crs with respect to the demand of Rs 5,434 crs and believes that the likelihood of the balance demand Rs 5,097 crs materializing is remote. Further, the holding company has disclosed the demand of Rs 1,200 crs as part of contingent liability. 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 holding company believes that it has grounds to defend its above positions and has also obtained independent legal opinions in this regard.
- ii. We draw attention to note 5 to the consolidated financial results for the period which describes the uncertainty related to the outcome of the ongoing tax litigation of Rs 282 crs, in one of the subsidiaries of the Group. The Group is confident of defending its position and has obtained legal opinion in this regard.

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 loss, as the case may be 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 the Group and its associates 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.

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 the Group and of its associates 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 the Group and of its associates.

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 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, 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 Matters

The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of three subsidiaries whose financial statements and other financial information reflect total assets of Rs 147 crs as at March 31, 2022, and total revenues of Rs 40 crs and Rs 112 crs, total net profit after tax of Rs 13 crs and Rs 17 crs, total comprehensive income of Rs 12 crs and Rs 17 crs, for the quarter and the year ended on that date respectively and net cash outflows of Rs 28 crs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs 2 and Rs 7 crs and Group's share of total comprehensive income of Rs. 3 crs and Rs. 7 crs for the quarter and for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of three associates whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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, 2022 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, 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

PRASHANT
KUMAR
SINGHAL



Digitally signed by PRASHANT
KUMAR SINGHAL
DN: cn=PRASHANT KUMAR
SINGHAL, c=IN, o=Personal,
email=prashant.singhal@srb.in
Date: 2022.04.21 17:41:09 +05'30'

per Prashant Singhal

Partner

Membership No.: 93283

UDIN: 22093283AHNIOT1316

Place: Mumbai

Date: April 21, 2022

Annexure to the Independent Auditor's Report on the Quarterly and Year to Date 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 Communications 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) Limited
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) SRL
16. Tata Communications (Japan) KK.
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) Instalacao E Manutencao De Redes, LDA
24. Tata Communications (Portugal) Unipessoal LDA
25. Tata Communications (Russia) LLC
26. Tata Communications International Pte. Limited
27. Tata Communications (Spain) S.L.
28. Tata Communications (Sweden) AB
29. Tata Communications (Switzerland) GmbH
30. Tata Communications (Taiwan) Limited
31. Tata Communications (Thailand) Limited
32. Tata Communications (Middle East) FZ-LLC
33. Tata Communications (UK) Limited
34. Tata Communications Transformation Services Ltd
35. Tata Communications Payment Solutions Limited
36. Tata Communications Collaboration Services Private Limited
37. SEPCO Communications (Pty) Limited
38. Tata Communications Lanka Limited
39. Tata Communications (South Korea) Limited
40. Tata Communications Transformation Services Pte Limited
41. Tata Communications Transformation Services (Hungary) Kft.
42. Tata Communications (Brazil) Participacoes Limitada
43. Nexus Connexion (SA) Pty Limited
44. Tata Communications Transformation Services (US) Inc
45. Tata Communications Transformation Services South Africa (Pty) Ltd

Tata Communications Limited

Consolidated financial results for the quarter and year ended March 31, 2022

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46. Tata Communications Comunicacoes E Multimídia (Brazil) Limitada
47. Tata Communications MOVE B.V.
48. Tata Communications Comunicacoes 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
57. Oasis Smart SIM Europe SAS
58. Oasis Smart E-Sim Pte Ltd

Associates

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

PRESS RELEASE

Tata Communications delivers strong profit for 8th consecutive quarter; PAT rises 18.5% YoY

Board recommends dividend of INR 20.7 per share

FY22 PAT at INR 1,482 crore | Consolidated FY22 EBITDA at INR 4,227 Crores | Healthy performance in Core Connectivity, Digital Platforms & Services, and Incubation services of Data business | Focus on continued growth and innovative solutions

Mumbai - 21st April 2022 - Tata Communications, global digital ecosystem enabler, today announces its financial results for the quarter and full year ended 31st March 2022.

Highlights | Q4 & FY2022

Consolidated financial highlights

- Consolidated revenue for FY22 came in at INR 16,725 Crores (USD 2,244.9 Mn) and at INR 4,263 Crores (USD 567.0 Mn) for Q4 FY22
- Most of the segments across Core Connectivity, Digital Platforms & Services, and Incubation services of Data business witnessed healthy growth:
 - Data business grew by 2.1% QoQ and 1.4% YoY
 - Within Digital Platforms, all segments except Collaboration witnessed double digit YoY growth and strong sequential growth
 - Core Connectivity witnessed a revenue growth of +0.5% QoQ and +1.4% YoY
 - Incubation portfolio grew by 49.1% QoQ and 67.6% YoY
- Consolidated EBITDA stood at INR 4,227 Crores (USD 567.3 Mn); with margins in at 25.3%, expanding by 40 Bps YoY. For the quarter, margin came in at 24.5%

16,725 Cr
Consolidated Revenue

4,227 Cr
Consolidated EBITDA

- Consolidated PAT stood at INR 1,482 Crores (USD 198.9 Mn) as compared to a profit of INR 1,251 Crores (USD 168.4 Mn) in FY21, registering a growth of + 18.5% YoY
- CAPEX for this year was INR 1,608 Crores (USD 216.9 Mn) as compared to INR 1,421 Crores (USD 191.4 Mn) in FY21; Free Cash Flow for FY22 was at INR 2,619 Crores (USD 345.6 Mn)

The Board has recommended a dividend of INR 20.7 per share as a result of the Company reporting strong profitability.

Consolidated Nos.	INR Crore	YoY Growth
Gross Revenue	16,725	-2.2%
EBITDA	4,227	-0.8%
EBITDA margin	25.3%	40 Bps
PAT	1,482	18.5%

“Overall, our full year performance has been steady with three consecutive quarters of growth,” said A.S. Lakshminarayanan, MD and CEO, Tata Communications. “We are focused on executing on our strategy and capturing tremendous opportunities ahead of us. I am proud of the team and the significant improvements we have made in our Net Promoter Score® (NPS®). We also earned several industry recognitions for our portfolio as well as for sustainability and workplace.”

Speaking on the occasion, Kabir Ahmed Shakir, Chief Financial Officer, Tata Communications, said, “With a steady sequential upswing in profitability and revenue, FY22 has been a healthy year. Our strong cash flows give us the confidence to compete in global markets and take on a stronger posture. We are now focused on accelerating growth, improving operating efficiencies while remaining committed to further strengthening our portfolio with innovative and differentiated offerings.”

An investor fact sheet providing detailed analysis of the results for the quarter and full year ended 31st March 2022 has been uploaded on the Tata Communications website and can be accessed [here](#).

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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

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.

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